

Socio-Economic Impact of Business Establishments in Balagtas, Batangas City to the Community: Inputs to Business Plan Development

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Abstract - Business establishments in Balagtas, Batangas City bring a lot of benefits to the community therefore leading to the improvement of the socio-economic life of the people. However, despite the claim that these businesses definitely improve the quality of life of the people, there is a need not only to determine both the positive and impact, but should also identify means to mitigate adverse effects to balance between the economic gains and negative effects to the community. The local government therefore has the prime responsibility to implement stricter measures to balance the fast growth of business vis-à-vis the socio-economic impact to the community. Proposed measures maybe integrated in the local government's business plan for Balagtas that will promote long term sustainability.

Keywords: socio-economic impact, business establishments, business plan

I. INTRODUCTION

Balagtas is one of the 105 barangays in Batangas City, is observed as one of the fastest growing barangays in terms of industrialization. Since it is situated along the Diversion area going to the Batangas International Port, it is seen by the government and investors as a prime area where businesses and industries will be profitable and lucrative. Balagtas is strategically located within Batangas City, which is the capital and also a first-class city in the province of Batangas, Philippines. As Batangas City is presently classified as a Regional Growth center and identified as one of the sites for the Regional Agro-Industrial center and Special Economic Zone as mandated by the Medium Term Philippine Development Plan and Ecozone Act of 1995, Balagtas will always be eyed as a promising industrial / business area. The mushrooming of business establishments in Balagtas is due to the chain reaction of business ventures and interactions brought about by the city's fine harbor being declared as an International Port and an alternate port of Manila. While the fast paced improvement revolve around Batangas City proper, Balagtas will undeniably also be the target of both local and foreign investors, due to its strategic location as part of the city and its being the gateway to Star Tollway connecting to

the Port diversion Area and all routes going to all the districts in Batangas province.

It is presumed that the growing business in the area may help in the socio-economic improvement of the community, however, the impact of the business establishments mostly on socio-economic aspect to the community will produce negative or positive results they may bring.

This research therefore is undertaken in the light of business sector's capacity to establish businesses and make them sustainable primarily for their own profit and needs, however it is also the role of both the private business sector and government to regulate the business activities of the area according to the demands and the expected benefits of the consuming public.

II. OBJECTIVES OF THE STUDY

The research seeks to attain the following objectives: to find out the different business establishments that provide employment opportunities to the community residents of Balagtas, determine the level of agreement on the impact of business establishments in Balagtas to community residents, to test if there is a significant difference on the responses between the workers of business establishments and the community residents and to propose strategies for the

development of business plan for the community residents of Balagtas.

III. CONCEPTUAL FRAMEWORK

Socio-economic impact assessment is designed to assist communities in making decisions that promote long-term sustainability, including economic prosperity, a healthy community, and social well-being. One aspect of the challenge to both the business and public sector is deciding how much and what types of new development the community can accommodate without compromising the day-to-day quality of life for residents (www.lic.wisc.edu, retrieved, 2/2013).

While business opportunities may bring positive results to the community, conducting a social impact assessment is important for several reasons. In general, it is used to alert the community, including residents and local officials, of the impact and magnitude of the proposed development on the community's social and economic well-being. The assessment can help communities avoid creating inequities among community groups as well as encourage the positive impacts associated with the development. The impact assessment provides estimates of expected changes in demographics, housing, public services, and even the aesthetic quality of the community that will result from the development. Equally important, the assessment provides an opportunity for diverse community values to be integrated into the decision-making process. Together, these components of the assessment provide a foundation on which decisions about whether to alter or change a proposed development can be made (www.lic.wisc.edu, 2013). Likewise, it is important to note that a socio-economic impact assessment not only forecast impacts, but should also identify means to mitigate adverse impacts (http://www.huskyenergy.com) and can help companies better understand the needs, aspirations, resources, and incentives of their customers – enabling them to develop new products and services and improve existing offerings (World Business Council for Sustainable development, 2013). However, to address relative problems and concerns, mitigation measures are indispensable. Mitigation should include efforts to avoid an impact by not taking or modifying an action; minimizing, rectifying or reducing the impacts through the design or operation of the project or policy; or compensating for the impact by providing substitute facilities, resources or opportunities (http://www.huskyenergy.com, 2013).

IV. METHOD

The researcher employed the qualitative-quantitative approaches in this applied research. Data were investigated in depth, analyzed and described with the use of research triangulation. Records and documents pertinent to the study were subjected to documentary analysis. A researcher made instrument was used to gather necessary data from target population. The rest of responses were gathered from documents and interview with the target respondents. Weighted mean was used to treat data with respect to the respondents' level of agreement on their perception as to the impact of business industries in Balagtas. Independent sample T-test was utilized to test if there is a significant difference on the responses between the workers of business establishments and the community residents. The null hypothesis was tested using 0.05 level of significance.

V. RESULTS AND DISCUSSION

Different business establishments that provide employment opportunities to the community residents of Balagtas

Business establishments in Balagtas provide employment opportunities to the residents of the barangay and other nearby places. Most of the businesses are sole and corporate proprietorship. Most of the employees are residents of Balagtas and the nearby areas. These employed workers are mostly college and high school graduates, majority of which receive the minimum wage / salary or even lower but with free food and residence accommodation and other incentives and bonuses; while the supervisors and managers receive higher pay. Most employees and workers, particularly those on regular status are given bonuses and benefits accorded to all workers and employees as mandated by law.

Restaurants and Fast Food Chains. Most common among the business establishments in Balagtas are restaurants and fast food chains. Due to the sprouting of other business establishments and the proximity of the City Grand Terminal to Balagtas, many restaurants and fast food chains (big or small enterprises) continue to rise all over the place particularly those along the highways and the commercial and entertainment area. The number of workers/ employees varies according to the variety of food offered by the restaurant and the demand of the clientele. It can be observed that there are not so popular restaurants and fast food chains here

in Balagtas; they have to use marketing strategies that will attract customers.

General Merchandize. Among those companies which have a bigger share in the income of the barangay are the big business establishments such as the SM(Shoe Mart) Hypermarket, formerly the MAKRO department store. The Hypermarket, is a retail combination of a supermarket and department store that provides one-stop shopping experience for Filipino shoppers(www.batangastoday.com). Aside from its internal revenue share, the Hypermarket offers so much advantage in terms of employment for Balagtas residents. The hypermarket management hires more employees and eventually develop their work skills and values that will prepare them for higher level of work or promotions.

San Miguel Sales Center, located in Balagtas, is an outlet of San Miguel Brewery Inc. (SMB) which is the largest producer of beer in the Philippines. It offers different products for sale so it employs a considerable number of workers receiving the minimum wage rate or even more depending on the nature of their jobs with additional benefits accorded to its employees. On the home front, programs that address employee welfare instill a sense of pride in the people for being part of the San Miguel Group. SMC upholds the principle of total development covering business/management skills, technical/functional skills, task and people orientation, values and attitudes (www.sanmiguel.com.ph).

There are numerous retail stores mostly found in the public market or “talipapa” area which cater to the daily needs of consumers not only from Balagtas itself but also from other surrounding areas and those who are passing the diversion and Star tollway routes. Pharmacies and other stores which offer other products also employ mostly high school graduates. But there should be monitoring on the part of concerned agency to ensure that benefits based on the Labor Code and other regulatory agencies are implemented by the business owners/managers.

Automotive Supplies and Services, Vehicle Display and Sales Centers. Along the diversion road and the Balagtas proper are many vehicle sales centers as well as automotive supplies and service outlets which provide employment to the residents of Balagtas and the nearby areas. Toyota for example, is a big industry which gives employees competitive salary and wages aside from the benefits due them, as a result employees of the establishment stay long working in this company. Automotive products and services are offered by other business establishments in the area. Engineering and

motor services such as air conditioning, electrical, vulcanizing, vehicle repairs and carwash, motor rewinding, etc. are available to the consuming public at affordable costs. Such companies also provide employment opportunities mostly for the Balagtas residents whose skills are honed due to the work experience derived from working in these small / big enterprises.

Construction Supplies Outlets and Hardware. The establishment of many construction supplies outlets and hardware in Balagtas is due to the influx of many migrants and workers coming to the place, and also the positive predicted outcome of business men as well as the bigger space for business venue. Many construction supplies and hardware owners are mostly residents of Balagtas so the possibility of employing the residents is high.

Entertainment business. Balagtas is popularly known for entertainment business. This paves way for the gradual boost of tourism in the area. Many residents from different places visit the place for entertainment nightlife activities. The workers hired by these entertainment business establishments benefit from the income they earn thru salaries or wages. There are also negative effects of the mushrooming of entertainment establishments but still, the barangay benefits from it in the form of services and community projects in return.

Establishments that Offer Other Services and Products. Since the number of migrants are increasing, the continuous patronage of other services and products are observed in the place. The sales of residential lots and construction of residential homes offered by subdivisions and private lot owners are inevitable. There are three subdivisions in Balagtas: the Buenafe Subdivision, Lorena Subdivision and Amihan Village subdivision. Buenafe subdivision and Villa Lorena are until now selling residential lots to the growing number of migrants. Transients avail of the inns and motels situated here in Balagtas along the entertainment area.

The purchase / access of internment and memorial services at Eternal Gardens is fast growing in fact, Eternal has expanded its commercial area in Balagtas and in Barangay Concepcion. Other services and products offered are medical, dental and lying in clinic services, massage and beauty parlor, tricycle transport, mineral water, fuel and gas other bakery products among significant others. Aside from the hired employees and workers to manage the area and the offices, there are numerous agents from the city which also earn extra income from the company. Taxes from

this establishments shares to the increasing IRA of the place. The fees for permit to operate such small scale or large industries contributes greatly to the increased IRA (Internal Revenue Allotment) which the barangay local governance transforms into community projects and services.

Table 1. Impact of Business Establishments in Balagtas to Business Employees and Residents

	Business Employees			Residents			Grand Mean	VI	Rank
	WM	VI	Rank	WM	VI	Rank			
1. Increase income for the barangay	3.66	SA	2	3.60	SA	1	3.63	SA	1
2. More decent jobs/income opportunities	3.40	A	4	3.36	A	2.5	3.38	A	3
3. More educational opportunities for children	2.98	A	16.5	2.94	A	13.5	2.96	A	15.5
4. Access to better health services	2.98	A	16.5	2.94	A	13.5	2.96	A	15.5
5. More environmental care awareness	3.10	A	14	3.26	A	8	3.18	A	10
6. Economic upliftment from present situation	3.14	A	13	3.18	A	6	3.16	A	11
7. Improved peace and order situation	2.86	A	19	2.84	A	17	2.85	A	18
8. Projection of the community's good image	3.24	A	9	3.32	A	4.5	3.28	A	7
9. Immediate access to primary needs and services	3.02	A	15	3.22	A	9	3.12	A	12
10. Enhanced training for workers(technology transfer)	3.38	A	5	3.28	A	7	3.33	A	5
11. Less travel expenses / Accessibility to workplace	3.54	SA	3	2.90	A	17	3.22	A	8
12. Confidence / pride of oneself	3.16	A	12	2.93	A	15	3.04	A	14
13. More opportunities to help the family and community	4.00	SA	1	3.12	A	11	3.56	SA	2
14. Developing the values of cooperation and support for barangay's projects	3.22	A	11	3.18	A	10	3.20	A	9
15. More business investments	3.24	A	9.5	2.92	A	16	3.08	A	13
16. Overcrowding of land space	2.82	A	20	2.50	A	20	2.66	A	20
17. Improvement of infrastructure and facilities of the barangay	3.32	A	7	3.32	A	4.5	3.32	A	6
18. More competitive advantage over other barangays	3.36	A	6	3.36	A	2.5	3.36	A	4
19. Expanded networking/linkages	3.28	A	8	2.40	A	18	2.84	A	19
20. Stricter law enforcement and regulations	2.88	A	18	2.96	A	12	2.92	A	17
Over-all Composite Mean	3.23	A		3.08	A		3.15	A	

Legend: 3.50 – 4.00 Strongly Agree; 2.50 – 3.49 Agree; 1.50 – 2.49 Disagree; 1.00 – 1.49 Strongly Disagree

Table 1 shows the impact of business establishments in Balagtas to the community both to employees and the residents of Balagtas themselves. For the community residents, the item “more opportunities to help the family and community” was ranked no.1 as It got the highest weighted mean of 4.00 maybe due to the fact that their primary purpose is to support the family, relatives and eventually the people in the neighborhood. The item, “increased income for the barangay” was ranked first (WM= 3.63) by the

businessmen and ranked second (WM= 3.66) by the community residents. Both the respondents believe that the taxes / fees generated from the business establishments will form part of the IRA (Internal Revenue Allotment) purposely intended for the projects of the barangay. In similar study, Chingombe and Pedzisai (2013) found out that craft industry used as rural livelihood strategy as it enables carvers to meet their basic economic needs and acquire some property. It also helps to reduce the impacts of drought and

poverty. It is however, ineffective as an economic empowerment strategy and environmentally incompatible. Economic viability and ecological sustainability need to be balanced. While these business establishments contribute greatly to the upliftment of the people's economic state they have to balance the ecology. As communities continue to grow, local officials and community members are constantly challenged by the need to balance fiscal, social, economic, and environmental goals. One aspect of this challenge is deciding how much and what types of new development the community can accommodate without compromising the day-to-day quality of life for residents. Socio-economic impact assessment is designed to assist communities in making decisions that promote long-term sustainability, including economic prosperity, a healthy community, and social well-being (www.lic.wisc.edu). This was agreed by the community resident respondents by ranking the item "more environmental care awareness" (WM=3.10) and by the business employees WM=3.18. Ranked third by the residents is "accessibility to workplace/less travel expenses" (WM=3.54) because most of the business employees or workers are from Balagtas themselves. Business employees./ workers ranked this item as number 8 due to the fact that some of them are transient residents; they only migrate to avail of the job opportunities in the place or they still go home in other areas aside from Balagtas like in Batangas City proper, Bolbok, Bauan, etc. On the other hand, the item, "more decent jobs/income opportunities" was ranked third (WM=3.40) and fourth (WM=3.38) by business employees and residents respectively as intentionally, the residents of the place are more preferred by the business managers or owners, mostly members also of the family or relatives.

Enhanced training for workers (WM=3.38) was ranked fifth by the community residents and by business employees/workers. Enhanced training improved the efficiency and productivity of workers. This is supported by the study of Kheyrollah Sarboland and Nasser Mousavi (www.textroad.com) who concluded that improving the efficiency of organizations depends on increasing the efficiency of human resource and it, in turn, depends on training and knowledge and skill development and creating favorable behavior of a successful working. The results of the study revealed that the increasing organizational abilities results in improving the loyalty sense and organizational commitment of employees and that there is a meaningful relationship between the content of in-

service courses and increasing the level of specialized knowledge of employees. Further, it can be added the formulation of training programs has been for staff's development and job promotion this matter in turn would increase staff's motivation and satisfy their job needs. The results of the current are consistent with Daneshfard et al., (2010), Ballot et al., (2001), Karroubi et al., (2009), and Khanmohammadi (2010). For the community residents, one advantage for the workers/employees is the acquisition of enhanced work skills or experience in technology transfer that maybe adapted from the workplace. This item was ranked 7th also by the business employees/ workers as this is one of their primary need to attain a very satisfactory performance rating and be more productive in the workplace. Improvement of infrastructure and facilities of the barangay was ranked 7th with weighted mean of 3.32, by the community residents. because these are mostly needed to respond to the growth and development of the place. The level of development of the social sphere and infrastructure are indicators of the level of national development of an economy. Providing appropriate infrastructure in developing countries can play a vital role in poverty reduction. Infrastructure makes it possible to overcome "natural" causes of poverty such as remoteness from material and information resources, provides access to social services, and helps to increase the mobility and economic activities of the population.

The items which got the lowest weighted means of 2.88, 2.86 and 2.82 are "strict law enforcement/regulations", "improved peace and order situation" and overcrowding of land space respectively, maybe due to the fact that these concerns will be under the responsibility of the local government and thus they do not fear of the negative effects these may bring to the community life. They trust that the barangay leaders will immediately address the problems relative to such concerns that maybe caused by the growth of the establishments in the barangay. On the contrary, the businessmen least agreed on the items, "overcrowding of land space" (WM=2.66), "expanded networking/linkages (WM=2.84) and improved peace and order situation (WM=2.85). The only difference on the responses which they ranked least is the item, "expanded networking/linkages. Business employees believe that by expanding networking or linkages, their business will be affected, on the positive or negative aspect. While the businesses are mostly at the starting stage, managers would rather prefer establishing their own rather than to link or be partner of others.

Competition is also another concern. This item was ranked 8th by the community residents for they believe that thru networking more business establishments will be put up in the place and therefore will give more employment opportunities for the residents themselves.

Socio-economic impact measurement can help business, government, and civil society design more effective collaborations by providing insights into the value of partnerships (World Business Council for Sustainable Development, 2013).

Table 2 Difference of Responses on the Impact of Business Establishments in Balagtas Between Business Employees and Residents ($df = 38; \alpha = 0.05$)

	t_c	t_t	p-value	Interpretation
Impact of Business Establishments in Balagtas	1.655	2.024	0.106	Not Significant

Legend: Significant at p-value < 0.05; HS = Highly Significant; S = Significant; NS = Not Significant

Based from the table, the computed t-value of 1.655 is less than the critical value of 2.024 at 0.05 level of significance, and the resulted p-value is greater than the alpha level, thus the null hypothesis of no significant difference on the impact of business establishment in Balagtas between business employees and residents is accepted. This means that there is no significant difference between the responses of the two groups; therefore it implies that the two groups of respondents have the same assessment on the impact of business establishments. While business employees/workers gain benefits for themselves and the family, this complements or equates with the development the community residents benefit from the internal revenue allotment and other fees paid by the business sector. The indirect effects of new business formation (crowding out of competitors, improvement of supply conditions and improved competitiveness) are of greater magnitude than the direct effect, i.e. the jobs created in the new entities (Fritsch & Mueller, 2004).

3. Proposed strategies that maybe considered in the business plan for the Barangay Balagtas, Batangas Province

Several strategies may be recommended to realign the objectives of the business plan to ensure its successful implementation towards the attainment of the goals of business enterprises and the desired socio-economic impact to the community

The private business entrepreneurs may add more business establishments as alternatives to other businesses that may be also lucrative and beneficial to the community such as the establishment of private elementary and high school; laundry services; photo studio; artists' center (music, dancing, painting, etc.); 24 hours convenience store; fast food chains as Jolibee or Inasal; other desirable sports and recreation services;

upgraded resorts and hotels, boarding and transient houses, and communication technology center.

The government may introduce and support the introduction of livelihood projects that will generate more employment opportunities for majority of the community residents and the marketing of products be properly coordinated with the private business entrepreneurs for the marketing and promotion of their products

Both the private and the public sector and NGO's must expand networking and linkage activities that may invite more business investments and technology transfer.

The local government in consultation with the community and other stakeholders to review laws that will directly or indirectly affect business in relation to the community such as environmental and health related concerns.

The local government in consultation with stakeholders must review and repeal laws that will affect policies on the maintenance of peace and order situation to regulate the robust business activities of the place.

The local government in coordination with other agencies and the business stakeholders, must improve the barangay infrastructure and facilities in preparation to the dynamic and fast paced commercial activities in the area. Boarding houses and apartments, environmental care and protection .

The business entrepreneurs and the local government must design and perform training programs suitable to the level of potential organizational abilities of staff and pave the ground for the staff's growth and creativity to ensure the business sustainable growth and productivity.

The local government must provide seminars and training for the development of values of unity, confidence, cooperation and social responsibility to

support the barangay goals and projects and the business activities in the barangay.

VI. CONCLUSIONS AND RECOMMENDATIONS

Based from the analysis of data, the following conclusions were drawn: 1) Business establishments in Balagtas provide employment opportunities to the residents of Brgy. Balagtas; 2) Both businessmen and community residents are congruent in agreement as to the top three impact of business establishments in Balagtas such as increased income for the barangay, more opportunities to help the family and community and more decent jobs/income opportunities, and strict law enforcement and regulations; likewise they have similar responses on the least agreed items which are overcrowding land space and improved peace and order situation but do not agree on expanding networking and linkages which is one of the topmost concerns of businessmen; 3) There is no significant difference as to the assessment on the impact of business establishments in Balagtas to the community by the two groups of respondents; 4) Proposed strategies maybe incorporated in the improvement of the business plan for the barangay.

It is recommended that the proposed measures be integrated in the local government's proposed business plan for Balagtas. Batangas City and that is should be implemented and evaluated thereafter. More effective collaboration / networking with more national and international business entities maybe one to expand the business activities in the area to continuously give not only more employment opportunities for the residents of Balagtas and the nearby areas but also provide insights into the value of partnerships to the business companies and society. High end facilities and services maybe also be established to complement but not to severely affect the small businesses that are currently operating. Stricter measures maybe imposed by the local government to balance the fast growth of business vis-à-vis the socio-economic impact to the community. More follow up studies be done for present and future actions.

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