

Evaluation on the Effectiveness of DOLE-OWWA Enterprise Development and Loan Program (EDLP) among Overseas Filipino Workers in the Selected Barangays of Tacurong City

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Publication history: Received: April 30, 2026; Revised: May 29, 2026; Accepted: May 31, 2026

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Abstract

This study evaluated the effectiveness of the DOLE-OWWA Enterprise Development and Loan Program (EDLP) in promoting enterprise development among Overseas Filipino Workers (OFWs) in selected barangays of Tacurong City, Sultan Kudarat. Anchored on functionalist migration theory, neo-classical migration theory, and the New Economics of Labor Migration (NELM), the study examined how enterprise development and loan assistance contribute to entrepreneurial opportunities, business growth, and sustainable livelihoods among returning OFWs. A mixed-method research design was employed, combining qualitative and quantitative approaches. Data were gathered through in-depth interviews and survey questionnaires administered to thirteen informants from selected barangays and the Local Government Unit of Tacurong City using purposive sampling. Qualitative data were analyzed through textual analysis, while quantitative data were interpreted using descriptive ratings based on a five-point effectiveness scale. Findings revealed that the EDLP was highly effective in supporting eligible projects (grand mean = 4.69) and highly effective in providing working capital assistance (grand mean = 4.44). Beneficiaries reported successfully establishing and sustaining businesses that generated steady income and created employment opportunities within their communities. The study also identified education and training, as well as transportation and communication barriers, as factors affecting program implementation and beneficiary participation. Despite these challenges, respondents generally reported positive experiences and perceived the program as beneficial to their economic reintegration. The study concluded that the EDLP effectively supports entrepreneurship, enterprise development, and income generation among OFWs. It recommends strengthening and expanding the program, increasing access to loan opportunities, enhancing participation in training and information activities, and conducting further evaluations of program implementation. The study aligns with Sustainable Development Goal (SDG) 8 (Decent Work and Economic Growth), SDG 1 (No Poverty), SDG 9 (Industry, Innovation and Infrastructure), and SDG 17 (Partnerships for the Goals) by supporting entrepreneurship, income generation, enterprise development, and inter-agency collaboration for OFW reintegration. Its sustainability impact lies in promoting local economic development, employment creation, business sustainability, and evidence-based improvements in government reintegration and entrepreneurship support programs for returning migrant workers.

Keywords: Entrepreneurship; Enterprise Development and Loan Program (EDLP); Overseas Filipino Workers (OFWs); Reintegration; Sustainable Livelihoods; Tacurong City; Training and Education; Working Capital

1. Introduction

Overseas Filipino Workers (OFWs) have long contributed to the Philippine economy through remittances and labor migration. To support migrant workers and facilitate their reintegration upon returning home, the Philippine government established various programs, including the Overseas Filipino Workers Enterprise Development and Loan Program (OFW-EDLP). This program aims to provide financial assistance, entrepreneurship opportunities, and livelihood support to OFWs and their families. Despite its implementation, challenges related to business sustainability, access to capital, and effective reintegration remain. This study evaluates the effectiveness of the DOLE-OWWA Enterprise Development and Loan Program (EDLP) in promoting enterprise development among OFWs in selected barangays of Tacurong City, Sultan Kudarat.

1.1 Background of the DOLE-OWWA Enterprise Development and Loan Program (EDLP) Among Overseas Filipino Workers

The Philippine government has promoted overseas employment since the 1970s to address unemployment and increase foreign exchange reserves. Overseas Filipino Workers contribute significantly to the national economy through remittances, which account for approximately 10% of the country's GDP and 7% of its gross national income (Bangko Sentral ng Pilipinas, 2020). Recognizing the importance of migrant workers, Republic Act 8042 or the Migrant Workers and Overseas Filipinos Act established policies that protect Filipino workers abroad and promote their welfare. However,

returning OFWs often encounter reintegration challenges, particularly unemployment and financial insecurity. To address these concerns, the government introduced the OFW Reintegration Program, now known as the DOLE-OWWA OFW Enterprise Development and Loan Program (EDLP), which provides loans and livelihood assistance to support business creation and self-employment opportunities. This study examines how the EDLP contributes to enterprise development and income generation among OFWs in selected barangays of Tacurong City, Sultan Kudarat, where many returning migrant workers continue to face challenges in establishing and sustaining businesses.

1.2 Themes and Insights on OFW Reintegration, Entrepreneurship, and Enterprise Development

Literature indicates that economic necessity remains the primary reason Filipinos seek employment abroad. Migration has become a common livelihood strategy due to unemployment and underemployment in the country (CMA 2006). The dependence on remittances has also generated extensive discussions regarding their long-term implications for development, labor migration, and household welfare (Sto. Tomas 2006; Castles 2007; Nititham 2011). Studies on reintegration emphasize the importance of employment assistance, entrepreneurship development, training, counseling, and financial support for returning OFWs (Murphy 2016; Mantilla 2014). Government initiatives such as job referrals, livelihood assistance, technical training, and microenterprise development have been implemented to facilitate successful reintegration. Entrepreneurship programs, particularly the OFW-EDLP, have been identified as mechanisms that allow OFWs to access capital for establishing or expanding businesses. The program provides financial assistance ranging from Php 100,000 to Php 2,000,000 and supports entrepreneurial activities through partnerships among OWWA, the Land Bank of the Philippines, and the Development Bank of the Philippines. Literature further highlights the importance of working capital and access to financing in ensuring business sustainability and profitability (Brigham & Weston (1996); Attract Capital 2016). Training, financial literacy, and technical support are likewise recognized as critical factors in entrepreneurial success among returning migrants.

1.3 Local, National, and Global Context of OFW Reintegration and Enterprise Development Programs

Globally, labor migration continues to serve as a strategy for improving economic opportunities and household welfare. Historically, countries such as the United States, Saudi Arabia, United Arab Emirates, Malaysia, Canada, Japan, China, Australia, Italy, and Singapore have hosted large numbers of Filipino workers. Nationally, the Philippines has institutionalized migrant reintegration through agencies such as the Overseas Workers Welfare Administration (OWWA), the National Reintegration Center for Overseas Filipino Workers (NRCO), and local Public Employment Service Offices (PESO). These agencies provide employment facilitation, entrepreneurship support, livelihood assistance, and counseling services to returning OFWs. Locally, OFWs in Tacurong City, Sultan Kudarat continue to seek opportunities for sustainable livelihood and business development. Evaluating the effectiveness of the OFW-EDLP within this context is important in understanding how government interventions support entrepreneurial growth and economic reintegration among beneficiaries.

1.4 Theoretical and Conceptual Foundations of OFW Enterprise Development and Loan Assistance

The study is anchored on functionalist migration theories, which view migration as a positive process that enhances productivity, wealth creation, and resource exchange between origin and destination communities. Migration is considered a strategy that enables individuals and households to access more secure income opportunities (de Haas, 2021). The study also draws from neo-classical migration theories, which explain migration as a response to income and opportunity differentials between regions. These theories assume that individuals make rational decisions to maximize income and utility. Similarly, the New Economics of Labor Migration (NELM) developed by Stark (1978) views migration as a household strategy for addressing economic constraints and reducing risks. Furthermore, migrant returnees are believed to contribute valuable knowledge, skills, and entrepreneurial competencies acquired abroad, which can support local development and business creation. Conceptually, the study examines the relationship between the DOLE-OWWA Enterprise Development and Loan Program (EDLP) and the experiences of OFWs who have availed of the program. The framework assumes that effective implementation of enterprise development and loan assistance contributes to entrepreneurial opportunities, business growth, and sustainable livelihoods among beneficiaries.

1.5 Research Gaps and Rationale for Evaluating OFW-EDLP Effectiveness in Tacurong City, Sultan Kudarat

Existing literature discusses migration, reintegration policies, entrepreneurship assistance, and the financial support available to OFWs. However, limited evidence is presented regarding the actual effectiveness of the OFW-EDLP at the local level and the extent to which program objectives align with the experiences of beneficiaries. The literature also notes the absence of studies assessing the performance and sustainability of businesses established through government-supported entrepreneurial loans. Moreover, concerns regarding access to financing, collateral requirements, implementation challenges, and business survival remain insufficiently explored. This study addresses these gaps by evaluating the effectiveness of the DOLE-OWWA Enterprise Development and Loan Program among OFWs in selected barangays of Tacurong City, Sultan Kudarat, focusing on enterprise development, loan utilization, implementation challenges, and beneficiaries' experiences.

1.6 Alignment of the OFW Enterprise Development and Loan Program with Relevant Sustainable Development Goals (SDGs)

This study aligns primarily with: SDG 8 – Decent Work and Economic Growth, as the OFW-EDLP promotes entrepreneurship, livelihood generation, employment creation, and economic participation among returning migrant workers. SDG 1 – No Poverty, through initiatives that support income generation and financial stability for OFWs and their families. SDG 9 – Industry, Innovation and Infrastructure, as the program encourages the establishment and expansion of micro, small, and medium enterprises through financial assistance and enterprise development interventions. SDG 17 – Partnerships for the Goals, reflected in the collaboration among DOLE, OWWA, DTI, Land Bank of the Philippines, Development Bank of the Philippines, local government units, and private-sector partners in supporting migrant reintegration and entrepreneurship.

1.7 Importance of Evaluating OFW-EDLP to Multidisciplinary Sustainability and Community Development

The study contributes to socio-economic sustainability by examining how entrepreneurship and access to financing improve income generation, business development, and employment opportunities for returning OFWs. It supports community sustainability by assessing the program's potential to create local employment and stimulate economic activities within communities. The research also contributes to institutional and policy sustainability by providing evidence that may guide government agencies in improving reintegration programs, strengthening entrepreneurship support mechanisms, and enhancing service delivery for migrant workers. Additionally, the study promotes educational and entrepreneurial sustainability by highlighting the importance of business training, financial literacy, and capability-building interventions that can help OFWs establish and sustain viable enterprises.

2. Material and methods

2.1 Research Design

The study employed a mixed-method approach that combined qualitative and quantitative methods. The qualitative component utilized an in-depth interview guide that enabled participants to freely express their perspectives and experiences regarding the Enterprise Development and Loan Program (EDLP). The quantitative component used a survey questionnaire to gather data on the effectiveness of the program and the demographic characteristics of the respondents.

2.2 Locale of the Study

The study was conducted in Tacurong City, Sultan Kudarat. The research focused on evaluating the effectiveness of the DOLE-OWWA Enterprise Development and Loan Program (EDLP) among Overseas Filipino Workers in selected barangays of the city. Tacurong City was selected because many Overseas Filipino Workers in Mindanao continue to encounter challenges in accessing capital and improving their businesses, making it a relevant setting for assessing the effectiveness of the program.

2.3 Respondents of the Study

The respondents consisted of thirteen (13) informants from selected barangays and the Local Government Unit of Tacurong City, Sultan Kudarat. The participants included five informants from Barangay Poblacion, four from Barangay San Pablo, three from Barangay Caelean, and one Local Government Unit official. The selection of respondents was guided by qualitative research principles, where sample size is determined based on the nature and purpose of the inquiry (Creswell, 1998).

2.4 Sample and Sampling Procedure

The study employed purposive sampling to select participants who could provide relevant information regarding the implementation and effectiveness of the DOLE-OWWA OFW Enterprise Development and Loan Program. According to Devers and Frankel (2000), purposive sampling is intended to enhance understanding of selected individuals' or groups' experiences and to develop theories and concepts. The researcher intentionally selected participants from the target population, obtained their permission, and gathered their views and experiences concerning the program's effectiveness and its contribution to enterprise development.

2.5 Research Instrument

The study utilized both an interview guide and a survey questionnaire to collect the necessary data. Textual analysis served as a supporting tool for describing and interpreting recorded messages and communication content (Frey, L., C., & Kreps, G., 1999). The interview questions were developed by the researcher based on the study objectives and allowed participants to provide unrestricted responses. The questions were prepared in English and translated into the local dialect to ensure respondents' understanding and comfort. The interview guide and survey questionnaire were reviewed and approved by the adviser and research committee before administration. For the quantitative component, a survey questionnaire was used to gather information on the demographic profile of respondents and to assess the effectiveness of the Enterprise

Development and Loan Program in Tacurong City, Sultan Kudarat. Respondents evaluated program effectiveness using a five-point rating scale ranging from “Not Effective at All” to “Very Highly Effective.”

2.6 Data Gathering Procedure

The researcher secured the necessary permissions from the selected participants prior to data collection. Interviews were conducted using the approved interview guide, allowing respondents to freely share their experiences and perceptions regarding the Enterprise Development and Loan Program. Simultaneously, survey questionnaires were distributed to collect quantitative data related to respondents' profiles and assessments of program effectiveness. Before administering the instruments, the researcher explained the purpose of the study and its relevance to the participants.

2.7 Data Analysis Techniques

The qualitative data gathered through interviews were analyzed using textual analysis to identify and interpret the experiences, perceptions, and insights of the respondents regarding the Enterprise Development and Loan Program. Quantitative data obtained from the survey questionnaires were summarized using descriptive ratings to determine the level of effectiveness of the program. Responses were interpreted based on a five-point scale ranging from “Not Effective at All” to “Very Highly Effective,” allowing the researcher to evaluate the implementation of the program among the beneficiaries.

3. Results and Discussion

3.1 Effectiveness of the DOLE-OWWA Enterprise Development and Loan Program

3.1.1 Socio-Demographic Profile of the Respondents

The respondents were former OFWs who had worked in different countries, including Japan, Qatar, Saudi Arabia, Singapore, Kuwait, Taiwan, and the United Kingdom. Most respondents had worked in Japan, while others were distributed across the remaining countries. In terms of years of overseas employment, the majority had worked abroad for five years, followed by those who had worked for seven years, six years, nine years, and eight years. The respondents were engaged in various businesses, primarily convenience stores and food businesses, while others operated carwash services, boarding houses, water refilling stations, and furniture-related enterprises. Most respondents reported a monthly income of Php 50,000, while others earned between Php 70,000 and Php 200,000 from businesses supported by the EDLP. These findings indicate that the beneficiaries came from diverse overseas work backgrounds and invested their resources in different entrepreneurial ventures. The income generated from these enterprises suggests that the program supported the establishment of income-generating activities that contributed to the economic stability of the beneficiaries.

3.1.2 Effectiveness of EDLP on Eligible Projects

The findings showed that the EDLP was highly effective in supporting eligible projects, obtaining a grand mean of 4.69. Respondents rated the program very highly effective in helping existing businesses grow, improving business efficiency, funding agricultural and non-agricultural ventures, supporting convenience store startups, enabling compliance with business permit requirements, assisting business expansion, and helping beneficiaries meet business expenses. Business franchising and partnership formation received moderately effective ratings, while assistance in acquiring trading businesses was rated highly effective. The results suggest that the program effectively provided financial assistance and business support to OFWs, enabling them to establish and sustain viable enterprises. The positive ratings demonstrate that the program successfully addressed financial constraints and contributed to business development among beneficiaries. The high overall effectiveness indicates that the EDLP has fulfilled its objective of supporting OFWs in creating sustainable sources of income.

3.1.3 Effectiveness of EDLP on Working Capital

The program's working capital component received a grand mean of 4.44, interpreted as highly effective. Respondents positively evaluated the various loan amounts available for individual and group borrowers. Loans ranging from Php 100,000 to Php 2,000,000 for individual borrowers and up to Php 5,000,000 for group borrowers were generally perceived as effective in supporting business operations and expansion. The findings indicate that access to working capital played a significant role in helping beneficiaries establish and maintain their enterprises. The availability of financial assistance enabled OFWs to secure the resources necessary for business operations and income generation. The positive evaluation reflects the program's success in addressing the financial needs of borrowers and supporting their entrepreneurial activities.

3.2 Factors Affecting the Effectiveness of the Enterprise Development and Loan Program

3.2.1 Education and Training

The results revealed that education and training significantly affected the implementation of the EDLP. Informants reported that many applicants experienced difficulty understanding program requirements and complying with workshop instructions due to limited educational backgrounds. Consequently, only a small number of participants successfully completed the requirements and qualified for the program despite the large number of applicants. According to the

informants, more than 1,800 participants attended workshops, but only a few were able to comply with all program requirements. These findings suggest that educational attainment and training participation influence the effectiveness of program implementation. Limited understanding of procedures and requirements can reduce the number of qualified beneficiaries and affect access to program opportunities. As noted by the informants and supported by (Fermin,2020), education and training remain important factors in determining successful participation in the program.

3.2.2 Transportation and Communication

The findings also identified transportation and communication as challenges affecting program implementation. Informants reported that some participants were unable to attend training sessions because of the distance between their communities and the city. Communication difficulties further limited the ability of program implementers to contact participants and ensure attendance during seminars and workshops. These results indicate that geographic accessibility and communication barriers can hinder participation in training activities and reduce program effectiveness. Consistent with the observations of the informants, transportation and communication systems are important in ensuring access to government services and development programs. Effective communication and accessible transportation contribute to successful program implementation and participation (Public Employment Service Office 2019; Bitu Chem Ltd, 2019).

3.3 Experiences of Enterprise Development and Loan Program Beneficiaries

3.3.1 Establishing Viable Businesses that Provide Steady Income

The findings showed that beneficiaries generally experienced success in establishing viable businesses after receiving assistance through the EDLP. Informants reported that the program enabled them to start or continue business projects that became important sources of income for their families. Several beneficiaries indicated that the financial assistance helped them overcome budget limitations and sustain their enterprises. These findings suggest that the EDLP contributed to the development of profitable and sustainable businesses among OFW beneficiaries. The program addressed financial barriers that often prevent returning migrants from pursuing entrepreneurial activities. The experiences of the respondents support the objective of establishing viable enterprises capable of generating steady income, consistent with the concept that a viable business is one that operates profitably and sustains its operations (Bitu Chem Ltd, 2018; Public Employment Service Office 2019).

3.3.2 Creating Employment Opportunities in the Community

The results revealed that beneficiaries were able to generate employment opportunities within their communities through the businesses established under the EDLP. Respondents reported hiring local residents and providing income-generating opportunities to individuals who previously had limited employment options. Most informants indicated that their businesses expanded sufficiently to employ additional workers. These findings demonstrate that the program not only improved the economic conditions of beneficiaries but also contributed to community development through job creation. The experiences of the respondents support the program's objective of creating employment opportunities and stimulating local economic activity. The positive impact on employment aligns with the view that job creation contributes to economic growth and reduces unemployment (Vergara, 2017). Overall, the findings indicate that the DOLE-OWWA Enterprise Development and Loan Program successfully achieved its primary objectives of establishing viable businesses that provide steady income and creating employment opportunities within communities. Beneficiaries generally reported positive experiences, suggesting that the program was effectively implemented and contributed to the economic reintegration of OFWs.

4. Conclusion & Recommendations

The study concluded that the DOLE-OWWA Enterprise Development and Loan Program (EDLP) was highly effective in supporting enterprise development among Overseas Filipino Workers in selected barangays of Tacurong City, Sultan Kudarat. The program successfully addressed the financial needs of beneficiaries through eligible projects and working capital assistance, enabling them to establish profitable and sustainable businesses. The findings further showed that the program contributed to the creation of employment opportunities within the community and effectively achieved its objectives of providing steady income and promoting entrepreneurship among former OFWs. Although education and training, as well as transportation and communication, affected program implementation, the overall experiences of the beneficiaries indicated that the program was effectively implemented and beneficial to their economic reintegration.

The study recommends that the government continue strengthening and expanding the implementation of the EDLP by providing more accessible loan opportunities for OFWs who intend to establish businesses in their communities. It is also recommended that OFWs actively participate in meetings, seminars, and information dissemination activities conducted by relevant government agencies to increase awareness and participation in available programs. Furthermore, future researchers are encouraged to conduct similar studies to continuously evaluate the implementation and effectiveness of the EDLP and to examine changes in the conditions and experiences of OFW beneficiaries over time.

The study was limited to OFW beneficiaries of the Enterprise Development and Loan Program in selected barangays of Tacurong City, Sultan Kudarat. The findings were based on the responses and experiences of a limited number of beneficiaries and program implementers within the study area. Consequently, the results reflect only the conditions, experiences, and perceptions of the selected participants during the period of the study and may not fully represent all EDLP beneficiaries in other locations.

Compliance with ethical standards

The study was conducted in accordance with the research procedures described in the methodology. Necessary permissions were secured from the selected participants prior to data collection. Participants were informed about the purpose and relevance of the study before the administration of interviews and survey questionnaires, and their responses were gathered for research purposes only.

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