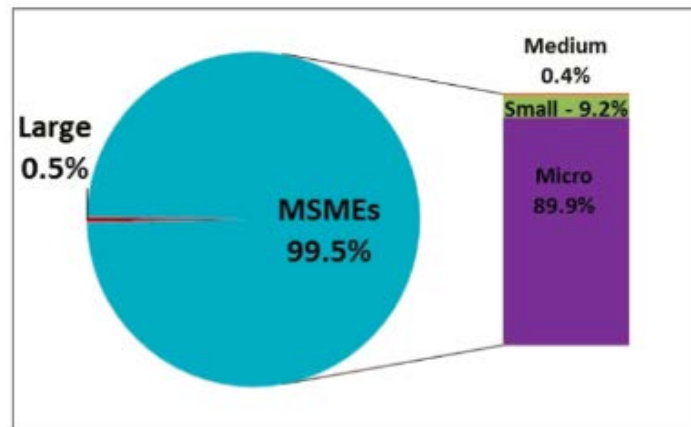


15. Country Report of Philippines¹

15.2 Current Status of Women Entrepreneurs of Philippines

In the 2015 recorded data of the Philippine Statistics Authority (PSA), there are about 900,914 enterprises established in the country, where about 896,839 or 99.5% are categorized as micro, small and medium enterprises (MSMEs) and the remaining 0.5% or 4,075 are classified as large enterprises. Of the MSMEs, 89.9% are categorized as micro enterprises, 9.2% are small enterprises and about 0.4% are considered medium enterprises. Majority of women entrepreneurs are concentrated in the MSME category.

Figure 1. Distribution of Businesses by Enterprise Size



Source: Department of Trade and Industry website: <http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-statistics>

Based on business assets valuation and number of employees, MSMEs are classified according to these values in Table 25 below.

Table 1. SME Classification²

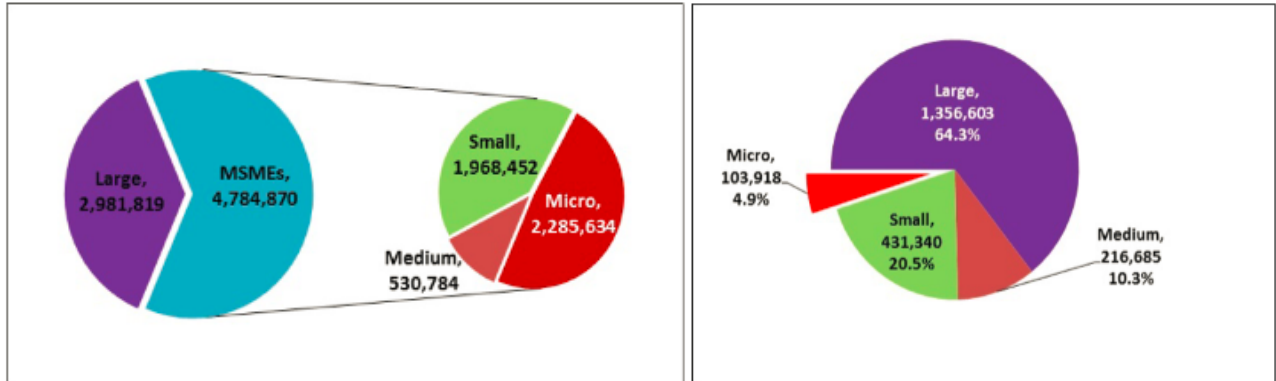
Enterprise	Category	
	By Asset Size	By Number of Employees
Micro	Up to Php 3,000,000	0 – 9 employees
Small	Php3,000,0001 – Php 15,000,000	10 – 99 employees
Medium	Php15,000,001 – Php 100,000,000	100 – 199 employees

¹ This report was written by Joy Munsayac-Cacal, Researcher | Project Management Consultant, Coca-Cola Philippines, Philippines.

² Senate of the Philippines, The MSME Sector at a Glance, SEPO, March 2012

While enterprises brings financial benefits to its owners and operators, these businesses also create economic value to a great number of Filipinos as their employees. Figure 32 below illustrates the number of employment created from the enterprises operating in the Philippines.

Figure 2. Distribution of Enterprises by Total Employment and Value Added



Source: Department of Trade and Industry website: <http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-statistics>

MSMEs employ about two-thirds of the total employees working in enterprises, while large businesses employ more than one third. However, when it comes to value added, large enterprises bring in 64.3%, while MSMEs contribute a total of 35.7%. It is also estimated that 60% of all exporters in the country are attributed to the MSME category, this is about 25% of the country's total export revenue.

Regional distribution shows concentration of enterprises in cities and industrial zones, particularly the National Capital Region (Metro Manila), CALABARZON, and Central Luzon. Figure 33 below accounts for all the regions in the Philippines and the categories of enterprises operating in each area.

Figure 3. Distribution of MSMEs by Region

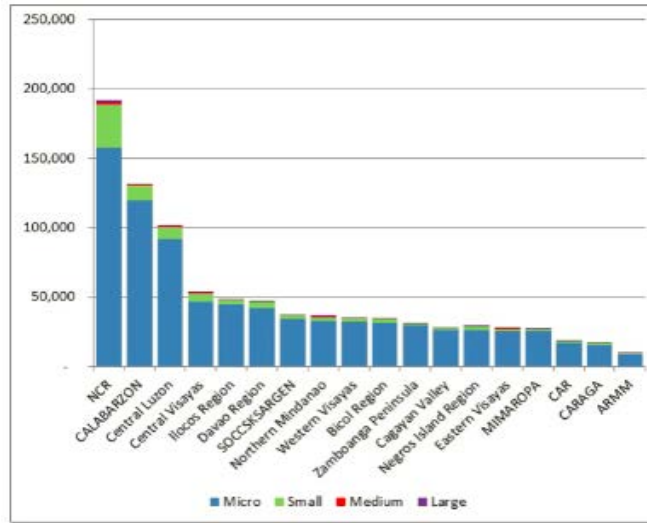


Image Source: Department of Trade and Industry website: <http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-statistics>

In terms of type of MSME industries, nearly half of the MSMEs are engaged in wholesale/retail trade and repair services. Particular to retail trade, the Sari-Sari Store Training and Access to Resources (STAR) Program, a leading women economic empowerment program implemented by Coca-Cola Philippines and the Technical Education and Skills Development Authority (TESDA) for women micro-entrepreneurs, revealed that 89% of micro-retail businesses are owned and operated by women³. Figure 34 below illustrates the industry distribution of MSMEs in the Philippines.

Figure 4. Percentage Distribution of MSMEs



Source: Senate of the Philippines website: www.senate.gov.ph, based on 2010 data of National Statistics Office (now PSA)

³ Sari-Sari Store Training and Access to Resources (STAR) Program, TESDA and Coca-Cola Philippines, 2011

Based on a recent global study on entrepreneurship, results show that women comprise the majority of the upcoming entrepreneurs in the developing economies⁴. Congruently in the Philippines, women are more likely to instigate and engage in the early stages or start-up of enterprise operationalization than Filipino men⁵. Filipino men counterparts often get highly involve or even take over the enterprise when it is already growing, owing to the care work double burden of Filipino women alongside managing a growing business.

According to the Policy Notes published by the Philippine Institute for Development Studies, a critical issue among women entrepreneurs in developing countries is the sustainability and scaling up of business, after it has been started. Statistics show that about 40% to 50% of start-up businesses close down and this happens mostly or more often to women owned businesses due to some gender-based identifiable factors, such as, (1) lack of access to financing; (2) insufficient profitability or rechanneling of profits to household needs; and (3) lack of time due to family responsibilities⁶.

Several government laws have been passed to support and protect the plight of MSMEs, with clear provision to cater women and youth entrepreneurs in order to help them achieve business sustainability and growth. According to a published statement of DTI Undersecretary Nora K. Terrado, “the Go Negosyo Act, or Republic Act 10644 otherwise known as Go Into Business Act, promotes job creation and inclusive growth through the development of micro small and medium enterprises (MSMEs) and has a section that specifically provides for support to women and youth.”

The DTI, as the main government arm for trade and industry, took upon itself to lead the translations of these laws to implementable programs through partnerships with the private sector and civil society organizations. The recently launched WIFI for the ASEAN encourages Filipino women entrepreneurs to look into the potential of ICT-based enterprises. As per World Bank definition, ICT-based enterprises are categorized into the following, (1) enterprises involving the production and selling of hardware, software, and telecommunication products; (2) ICT-based enterprises that use ICTs to provide services such as data entry, business services, software applications and e-learning; and (3) ICT related support services such as computer training and consulting⁷.

Other Philippine laws supporting women in the MSME sector include Republic Act 9501 or the Magna Carta for MSMEs of 2008, a comprehensive law outlining a package of support for MSMEs,

⁴ Kelley, D. et al. (2015) Special Report: Women’s Entrepreneurship. Global Entrepreneurship Monitor.

⁵ World Bank. Female Entrepreneurship: Program Guidelines and Case Studies.

⁶ Philippine Institute for Development Studies, Policy Notes, ISSN 1656-5266, No. 2015-03, February 2015

⁷ Philippine Commission on Women. (2017, August 28). Women ICT Frontier Initiative (WIFI) Program for ASEAN launched in PH...

and Republic Act 7882 of 1995, an act providing assistance to women engaged in micro and cottage business enterprise, that mandates government financial institutions to allocate 5% of their funds for loans to women MSMEs⁸. Another landmark law for micro-enterprises is Republic Act 9178, otherwise known as the Barangay Micro Business Enterprises Act of 2002, particularly targeting micro category businesses or start-ups to benefit entrepreneurs by automatic tax exemption, reprieve from coverage of the Minimum Wage Law, priority credit window, and technology transfer on production, management and marketing assistance programs from government or its partner institutions⁹.

⁸ Recognizing the vital role of women in the PH growth: DTI remains supportive of women's empowerment, April 2 via www.investphilippines.gov.ph

⁹ How to Register as a Barangay Micro Business Enterprise (BMBE) in the Philippines, Victorino Abugar, April 2013