


PERCEIVED IMPACT IN THE IMPLEMENTATION OF MICROENTERPRISE LAW: A QUALITATIVE STUDY IN THE PHILIPPINES

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 31 March 2023</p> <p>Accepted 26 June 2023</p>	<p>Purpose: The aim of this study is to ascertain the perceived impacts of implementing the microenterprise law and use it as a global benchmark for other international laws concerning microenterprises.</p>
<p>Keywords:</p> <p>Impact; Microenterprises; Law; Exemption to Income Tax; Philippines.</p> <div data-bbox="172 987 480 1234" style="text-align: center;">  </div>	<p>Theoretical framework: The Grand Unified Theory of Business Development by Varun Sharma (2015) served as the theoretical foundation of this study as it suggests how a firm should be run for the greatest profit, whether it is a micro, small, medium, or large corporation.</p> <p>Design/methodology/approach: The qualitative research design was used wherein qualitative data were gathered thru the conduct of structured individual interviews and small focus group discussions with the stakeholders namely; Microenterprise operators/owners, consumers, suppliers, employees, and government bodies using the five law incentives and privileges as the determinants of its impact.</p> <p>Findings: The results showed that the impact of the implementation of the microenterprise law (<i>BMBE Law</i>) as perceived by BMBE owners, consumers, suppliers, employees, and government bodies was generally positive and favorably advantageous to all five identified stakeholders which were further categorized into various themes and category.</p> <p>Research, Practical & Social implications: The study affects the financial status of microenterprises as it measures the impact of government-aided assistance as the basis of providing enhanced benefits and privileges for microenterprises for eventual conversion to a higher form of business formation.</p> <p>Originality/value: The study paved the way for creating a value-adding understanding of how impactful government-aided assistance and privileges to the microenterprises are the foundation of a strong business economy.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i7.2781</p>

IMPACTO PERCEBIDO NA IMPLEMENTAÇÃO DA LEI DA MICROEMPRESA: UM ESTUDO QUALITATIVO NAS FILIPINAS

RESUMO

Objetivo: O objetivo deste estudo é verificar os impactos percebidos da implementação da lei de microempresa e usá-la como referência global para outras leis internacionais relativas a microempresas.

Referencial teórico: A Grande Teoria Unificada do Desenvolvimento de Negócios de Varun Sharma (2015) serviu como fundamento teórico deste estudo, pois sugere como uma empresa deve ser administrada para obter o maior lucro, seja ela micro, pequena, média ou grande. corporação.

Desenho/metodologia/abordagem: O design de pesquisa qualitativa foi usado em que os dados qualitativos foram coletados por meio da realização de entrevistas individuais estruturadas e discussões em pequenos grupos focais com as partes interessadas, a saber; Operadores/proprietários de microempresas, consumidores, fornecedores,

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funcionários e órgãos governamentais que utilizam os incentivos e privilégios das cinco leis como determinantes de seu impacto.

Resultados: Os resultados mostraram que o impacto da implementação da lei da microempresa (Lei do BMBE), conforme percebido pelos proprietários, consumidores, fornecedores, funcionários e órgãos governamentais do BMBE, foi geralmente positivo e favoravelmente vantajoso para todas as cinco partes interessadas identificadas, que foram posteriormente categorizadas em vários temas e categorias.

Pesquisa, implicações práticas e sociais: O estudo afeta a situação financeira das microempresas, pois mede o impacto da assistência auxiliada pelo governo como base para fornecer benefícios e privilégios aprimorados às microempresas para eventual conversão em uma forma superior de formação de negócios.

Originalidade/valor: o estudo preparou o caminho para a criação de uma compreensão de valor agregado de como a assistência governamental e os privilégios impactantes para as microempresas são a base de uma economia de negócios forte.

Palavras-chave: Impacto, Microempresas, Direito, Isenção de Imposto de Renda, Filipinas.

IMPACTO PERCIBIDO EN LA IMPLEMENTACIÓN DE LA LEY DE MICROEMPRESAS: UN ESTUDIO CUALITATIVO EN FILIPINAS

RESUMEN

Propósito: El objetivo de este estudio es determinar los impactos percibidos de la implementación de la ley de microempresas y utilizarla como punto de referencia global para otras leyes internacionales relacionadas con las microempresas.

Marco teórico: La Gran Teoría Unificada del Desarrollo Empresarial de Varun Sharma (2015) sirvió como base teórica de este estudio, ya que sugiere cómo se debe administrar una empresa para obtener el mayor beneficio, ya sea micro, pequeña, mediana o grande. corporación.

Metodología: se utilizó el diseño de investigación cualitativa en el que se recopilaban datos cualitativos mediante la realización de entrevistas individuales estructuradas y discusiones de grupos focales pequeños con las partes interesadas, a saber; Operadores/propietarios de microempresas, consumidores, proveedores, empleados y organismos gubernamentales utilizando los cinco incentivos y privilegios de la ley como determinantes de su impacto.

Conclusiones: Los resultados mostraron que el impacto de la implementación de la ley de microempresas (Ley BMBE) percibido por los propietarios, consumidores, proveedores, empleados y organismos gubernamentales de BMBE fue generalmente positivo y favorablemente ventajoso para las cinco partes interesadas identificadas que se clasificaron en varios temas y categorías.

Implicaciones de la Investigación: el estudio afecta el estado financiero de las microempresas, ya que mide el impacto de la asistencia del gobierno como base para brindar mayores beneficios y privilegios a las microempresas para una eventual conversión a una forma superior de formación empresarial.

Originalidad/valor: el estudio allanó el camino para la creación de una comprensión de valor añadido sobre cómo la ayuda gubernamental y los privilegios de impacto para las microempresas son la base de una economía empresarial fuerte.

Palabras clave: Impacto, Microempresas, Ley, Exención del Impuesto sobre la Renta, Filipinas.

INTRODUCTION

The Republic Act No. 9178, also known as the BMBE Law, was passed by the Philippine Congress on November 13, 2002, during the 12th Congress, under the administration of Her Excellency Gloria Macapagal-Arroyo, our former president of the Republic of the Philippines (in office from January 20, 2001 to June 30, 2010). The law is described as "an act to promote the Establishment of Barangay Micro Business Enterprises (BMBEs), providing incentives and benefits therefor, and for other purposes." These microenterprises typically

consist of but are not restricted to registered microenterprises (through DTI) such as sari-sari stores, small repair shops, barber shops, and in multifaceted industries like retail, manufacturing, agribusiness, agro-forestry, fisheries, and some other field of income-generating business that typically meets the minimal requirement as "Barangay Micro-Business Enterprises."

The BMBE Law is herewith affirmed to be the State's approach to exercise alacrity to the nation's economic development by promoting the establishment and expansion of barangay microbusiness enterprises, which effectively act as breeding grounds for Filipino entrepreneurs, and by integrating those working in the unofficial sector with the formal economy through the rationalization of administrative obstacles, the active provision of incentives along with the benefits embedded in the law to generate and produce much-needed employment, and other means. Additionally, the law's mission largely focuses on identifying registered microbusinesses' potential, particularly in terms of their profitability, productivity, and commitment to sustainable development. Relative to the study conducted by Herpacio & Hidalgo (2018), the sovereign government's support in helping micro businesses cope with multifaceted challenges significantly contributes to and influences attaining business goals regarding profitability, productivity, and sustainable development. Further, their study provides a comparable result proving that a state's support in the form of various grants, structured management training and seminars, marketing, and all other awareness programs on government financial policies favorably bridges the gap identified between overall business growth and business challenges and goal-barriers.

Internationally, as emphasized by the World Trade Organization (2021), the smaller the company, the greater the challenges faced in participating in international trade. This concept led WTO to initiate the formation of an "Informal Working Group on MSMEs" that would address obstacles related to foreign trade operations that represent a significant burden for MSMEs interested in participating in international trade.

According to empirical data, larger enterprises typically endure longer than smaller ones. There is little evidence that size gives additional survival benefits beyond baseline profitability. Furthermore, no prior research has made an effort to separate the advantages of organizational capital that result from a larger scale from those that result from a larger scope. We are unable to properly understand the essential benefits of business size for long-term survival as a result (Bercovitz, 2006).

A sole proprietorship, being the most common type of business adopted by these MSMEs, is an unincorporated business conducted by the owner in his or her capacity. Even though it is supposedly the most straightforward company structure, a sole proprietorship is not a distinct legal entity. Legally speaking, the company doesn't exist independently from its owner. The owner retains complete authority over the management of the company and is the legal owner of the entity's assets. The key advantage of the sole proprietorship structure is that it is the easiest and least expensive to set up an ownership structure. Additionally, the business is completely under the owner's control, and the entity is quite simple to dissolve (Prescott, Madden, and Foster, 2014).

Through the effort of heartening and encouraging the establishment and evolution of registered or commonly termed barangay micro business enterprises, which will mainly serve and act as a breeding ground for Filipino entrepreneurs, and by incorporating those working in the informal sector with the formal economy through the rationalization of administrative barriers and the active provision of incentives and benefits to create desperately needed employment opportunities, the BMBE Law is hereby declared to be the State's strategy to accelerate the country's economic development. Additionally, a major element of the law's mandate is to assess the potential of registered micro-businesses, particularly their viability, productivity, and dedication to sustainable development.

Assessing a business' effectiveness calls for strenuous effort, consideration, and preparation. Once effectiveness' diversified determinants are being considered and examined, businesses can thereby obtain results that somehow measure their performances beneficial in controlling and monitoring business objectives as to whether they have been gradually achieved or deviated from the expected outcomes. Relatively, it is believable that the Philippine government has found a solution to support our promising microenterprise owners in addressing the gap between the high danger of losing the business during its formative years and achieving steady business growth. It is accurate to say that certain types of micro-businesses are deemed successful if their resources—financial, human, and otherwise—are properly managed, utilized, and consumed. As a result, the "Barangay Micro Business Enterprises" (BMBE) Law was passed, which is referred to as the "BMBE's Act of 2002" in its preamble.

According to Keb Cuevas (2017), in 2014, roughly 99.5% of establishments in the Philippines were considered micro, small, and medium enterprises (MSMEs) which employed about 61.6% of the labor force, making them the primary source of livelihood and jobs in the

country. This is a very timely instance to focus on the majority classification of entrepreneurs in the country.

Microenterprises in the Philippines, generally, face in-depth struggles and problems. Micro and small enterprises (MSEs) make up the majority of the industrial structure in developing nations like the Philippines and are among the most significant forces for societal development. MSEs give millions of underprivileged people around the world the chance to obtain jobs, education, training, and experience. The majority of small businesses, however, never expand their operations beyond a particular scale, and only a small fraction can advance to the next level of productivity, income, and employment, according to empirical data (Berner / Gomez / Knorringa 2008, as cited by Aimee Hampel-Milagrosa,2014).

According to a study by Herpacio & Hidalgo (2018), the support provided by the sovereign government to assist micro businesses in overcoming complex obstacles has a significant positive impact on the achievement of organizational objectives in terms of profitability, productivity, and sustainable development. Additionally, their study offers a comparable finding demonstrating that a state's assistance in the form of different grants, structured management training and seminars, marketing, and other financial policy awareness programs favorably closes the gap between overall business growth and difficulties and goal barriers.

There were significant disparities between the ideal and actual levels of implementation (as experienced by microentrepreneurs) of the BMBE Law in Metro Manila among the 17 cities in the NCR and its Sectors, in addition to variations in the promotion level of the law. The conclusion helps evaluate how the law is having an impact on microenterprises and the individuals associated with them. The remark implies that generally speaking, not all areas of the country's sovereignty are adequately protected by the law. This sentence also raises the prospect that there might be information implementation errors or omissions that affect how well a location does in a specific area while staying unnoticed by the rest of the country. Its effectiveness must be viewed from a specific perspective (Aldeguer, 2015).

Moreover, based on the research conducted by Garambas and Pinos-an in 2021 in the Province of Benguet, the study showed that minimal to a relatively low number of micro-businesses, stakeholders, and barangay front liners knew and were aware of the presence of BMBE Law that may in turn, defeats the very purpose of a sovereign government of providing financial and all other forms of assistance to the micro-entrepreneurs. Moreover, to widen the coverage and extent of the government's grants, all known micro enterprises in the country

should vigorously be involved and contribute to the effective implementation of the law. Consequently, this can be done by intensifying the entrepreneurs' commitment, determining the impact of variable contributors, and continuous drive assessment toward attaining economic development and financial globalization and competitiveness (Quingco & Leonras, 2019).

As the BMBE Law existed for almost 2 decades in the Province of Iloilo and is currently utilized by 192 registered barangay micro business owners, the researcher saw the need of determining the perceived impact of the law in the province to measure the depth of its applicability and effect to the lives of affected stakeholders by looking at the various facets and qualitative gathering of personal and perceived views of every stakeholder involved in the implementation of the said law namely: BMBE owners, consumers, suppliers, employees, and government body.

Assessing the present impact of the law on the various stakeholders identified would mean an opportunity for the researcher – being a catalyst for effective and efficient delivery of accountancy and business academic programs offered in the province of Iloilo, to determine any gaps and problems encountered by these microenterprises and stakeholders as these parties are valuable factors and instruments for substantial and collatable forces in the effective and efficient implementation of the BMBE Law making it as a global reference as practiced by other international mercantile and business laws.

LITERATURE REVIEW

Unquestionably, microenterprises' involvement in the holistic development of any given economy plays a very important role. Microenterprises, encompassing a prevailing number and portion in the business industry, supports lessening both poverty and unemployment rate in a given country. Though the aspiration of growing microenterprises' number globally remains a worldwide crisis and dilemma, certain counts of researchers have recognized the growth of microenterprises by way of the approachability of one's business endeavor to the world of finance; concluding, microfinancing is equally significant in the initiative of owners to expand. (Angeles, Calara and de Guzman, 2019).

The term "BMBE" refers to any business entity or enterprise that engages in the production, processing, or manufacturing of goods or commodities, including, retailing, services, trading, and agro-related processing activities, and whose total assets, including those resulting from loans but excluding the land on which the specific business

entity's office, plant, and equipment are located, shall not exceed Three Million Pesos (P3,000,000.00).

According to the declarations by Manipol (2023) that evaluated BMBEs on a factorial basis, the municipal or city mayor may designate a BMBE Registration Officer who will work under the Office of the Treasurer. To efficiently manage the registration and processing of permits/licenses for BMBEs, local government units (LGUs) are urged to set up a One-Stop-Business Registration Center. Likewise, LGUs shall make a periodic evaluation of the BMBE's financial status for monitoring and reporting purposes. It was also explicitly stated that any person, natural or juridical, cooperative, or association, having the qualifications as defined in Section 3(a) hereof may apply for registration as BMBE (Congress of the Philippines, 2002 & Civil Code of the Philippines). Upon receipt of the necessary documentation, such applications will be handled within fifteen (15) working days. The BMBEs will be considered registered in all other cases. A BMBE Registration Officer who reports to the Treasurer's Office may be appointed by the Municipal or City Mayor. To efficiently manage the registration and processing of permits/licenses for BMBEs, local government units (LGUs) are urged to set up a One-Stop-Business Registration Center. Similarly, LGUs are required to periodically assess the financial health of the BMBE for reporting and monitoring. The Civil Code of the Philippines and the Congress of the Philippines, both of which were passed in 2002, specifically stated that any individual, whether natural or legal, cooperative, or association, who meets the requirements outlined in Section 3(a) hereof, may apply for registration as a BMBE.

The enactment and implementation of the BMBE Law has been tremendously disseminated across the nation considering its existence for almost 2 decades since its establishment in the year 2002. This law has been the dependence of approximately 1,913 registered BMBEs in the whole vicinity of the Province of Zamboanga del Norte (Manipol, 2023).

The five (5) different adaption mechanisms or incentives included in the BMBE Law could be received or enjoyed by the registered BMBEs. In particular, during BMBE's first few years of operation, these will be crucial in achieving legal and legitimate maximum or optimum benefits: (1) Exemption from Taxes and Fees, (2) Exemption from the Minimum Wage Law's Coverage, (3) Credit Delivery, (4) Technology Transfer, Production and Management Training, and Marketing Assistance, and (5) Trade and Investment Promotions. These procedures are governed by the rules established by Republic Act No. 9178, often known as the "Barangay Micro Business Enterprises (BMBE's) Act of 2002." These adapted mechanisms also are well-

considered since they are the concrete determinants as to how many of these incentives are truly received, utilized, and enjoyed by the registered BMBE's thereby assessing their effectiveness.

Exemption from Income Taxes and Fees. It can be very beneficial to exempt all registered BMBEs from income taxes and fees. The proprietors of microenterprises will have many of their financial demands met by highlighting the income tax that may be exempt. The said tax can cover a variety of utility costs incurred by the owner, and the alleged statutory fees that must also be paid can in some way assist with any tuition debt owed to any dependents of the owners. Following the implementation of TRAIN LAW, prices for a number of commodities increased unexpectedly, making some homeowners unable to purchase items or seeing a fall in their purchasing power.

Exemption from the Coverage of the Minimum Wage Law. Another way to benefit financially is to have all registered BMBEs be exempt from the Minimum Wage Law's application. Although BMBE employees are in some ways paid less than the minimum wage, this practice is nonetheless seen as realistic and legal because it is authorized under the Act's provision. By doing this, BMBEs can accumulate additional funds to cover other expenses. Although this incentive will overlook employees, BMBEs are still needed to present employee portfolios to receive any benefits provided to regular employees, such as social security and health insurance benefits, to make up for their low pay and salaries.

Special Credit Delivery. Since more accessible loan advances and extensions will be made available to our BMBEs by all accredited lending institutions, loan Delivery can smooth and relieve the feelings of all BMBE owners. This makes it possible for BMBEs to lend money without any fuss and closes the gap between difficult borrowing processes and simpler, more approachable ones.

Technology Transfer, Production and Management Training, and Marketing Assistance. Through the assistance of other Philippine government agencies, technology transfer, manufacturing and management training, and marketing assistance can be of considerable assistance, particularly to the various investment machines required in the manufacture and transformation of raw materials into finished products. Other government organizations like DTI, TESDA, etc. will support PAGCOR, which will serve as the principal source of funding.

Trade and Investment Promotion. Promotion of trade and investment. Every microbusiness aspires to be one of the next big things; no small business wants to stay small forever. To do this, these BMBEs must be brought to larger trade and industry arenas where

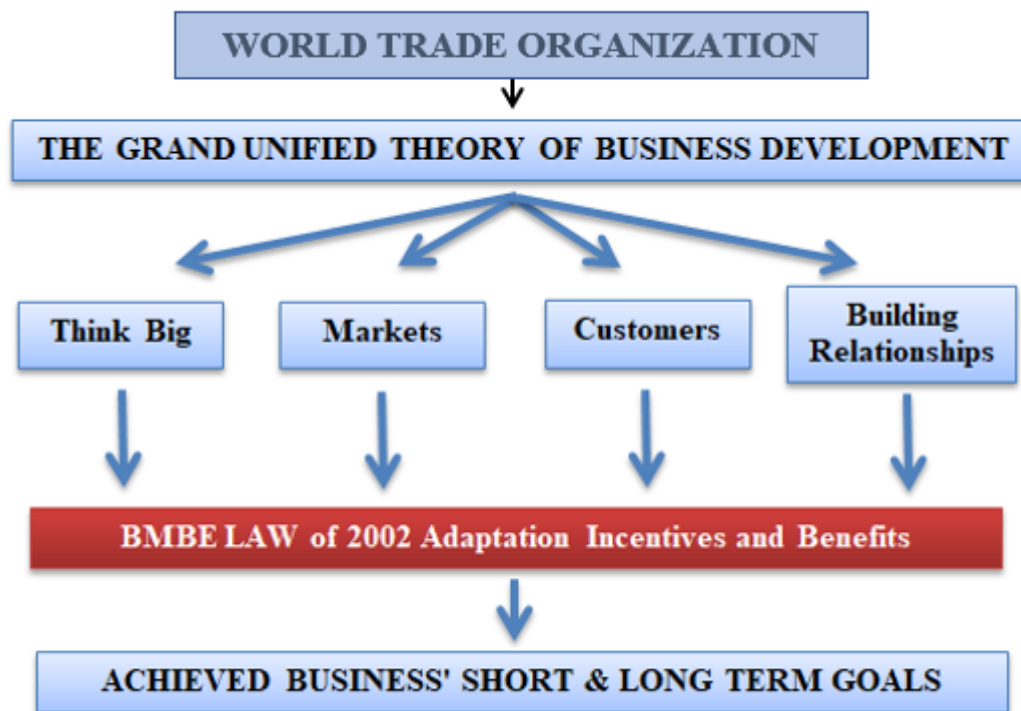
potential investors can, of course, get in closer contact and discuss any larger opportunities and business trends.

Although these incentives or mechanisms set forth by the government authority to registered BMBEs have been in place for nearly two (2) decades, little to no research in the field has produced either positive or negative findings. In contrast, a few instances of micro-enterprises have been successful in obtaining the local government's discount on taxes, fees, and other charges. There have been instances where micro businesses have exercised their rights to be exempt from the minimum wage rule. The Act's most alluring provision, which exempts microbusinesses from paying income taxes, was not successfully utilized by small businesses. The micro-entrepreneurs did not investigate the funding options for micro-enterprises through unique credit windows, which could have provided future financial management benefits. According to additional findings, the BMBE Act's complexity and government red tape are the two biggest challenges facing microentrepreneurs (Figueroa, 2018).

THEORETICAL FRAMEWORK

The Grand Unified Theory of Business Development by Varun Sharma (2015) served as the foundation of this study. The Grand Unified Theory of Business Development was developed by Sharma based on the Grand Unified Theory that Howard Georgi and Sheldon Glashow articulated in 1974. Grand Unified Theory of Business Development (Sharma, 2015) suggests how a firm should be run for the greatest profit, whether it is a micro, small, medium, or large corporation.

Figure 1. Sharma's Theory in relation to the BMBE Law study being undertaken



<https://www.kvrwebtech.com/blog/the-grand-unified-theory-of-business-development/>

Source: The Grand Unified Theory of Business Development by Varun Sharma, 2015.

The theory promotes to some extent that microenterprise is the seabed in any business development, the starting point of every successful business journey. This level has to be taken care of and given the utmost importance as it is very critical and fragile to sustain. To identify and address barriers to MSME involvement in international trade, the World Trade Organization established a program called the Informal Working Group on MSMEs, which was introduced at the 11th Ministerial Conference in December 2017. It has 91 WTO members as of right now and is accessible to all members (WTO, 2021). In effect, WTO became the basis of Sharma's grand unified theory of business development in drafting its four factors namely: Think Big, Markets, Customers & Building Relationships. Locally, the BMBE Act of 2002 was founded on the theory that business' successes start from being small and minute ventures fostering development by emphasizing the prospective market, customers, and its relationship while visioning the microbusiness to grow and become bigger.

METHODOLOGY

A qualitative research design was used wherein qualitative data were gathered thru the conduct of structured individual interviews and small focus group discussions with the stakeholders as the study aimed of determining the perceived impact of the implementation of

the BMBE Law in the province of Iloilo considering the perspective of varied stakeholders namely; BMBE operators/owners, consumers, suppliers, employees, and government bodies by using the five (5) law incentives and privileges as the determinants of its impact.

For interviewees to choose the language they think is simpler to comprehend, an interview guide was made while the questionnaire was available in both English and the vernacular. Additionally, as it was required, approval from the Department of Trade and Industry, the main implementing entity, was obtained. Voice recorders and video cameras were utilized to record the interview and store the data. Thereafter, sound recordings were transcribed, and the transcription served as the main source of data for the research's subject.

Respondents

The Province of Iloilo with its 14 purposively-sampled and chosen municipalities and 1 city with registered microenterprises “BMBEs” were the primary research locale of this study. Specifically, the researchers visited the municipalities of Barotac Viejo, Janiuay, Tubungan, Leon, San Joaquin, Guimbal, Miagao, Pavia, and Sta. Barbara, Leganes, Lambunao, Estancia, Dumangas, Dingle and the City of Iloilo. Most of the BMBEs are found in these municipalities which resulted in making it the prime selection and inclusion criteria. Structured individual interviews and small focus group discussions were used targeting 40 respondents composed of 10 random BMBEs while 30 purposive respondents for each other stakeholders identified; (7) Consumers, (7) Suppliers, (7) Employees, and (9) Government/Implementer as shown in Table 1.

Table 1. Number of Registered BMBEs and other Stakeholders to be interviewed in the Province of Iloilo

City/Municipality	BMBEs	Consumers	Suppliers	Employees	Government
Iloilo City	1				2
Barotac Viejo		1		1	
Janiuay	1		1		1
Tubungan		1		1	
Leon	1		1		1
San Joaquin		1		1	
Guimbal	1		1		1
Miag-ao		1		1	
Pavia	1		1		1
Sta. Barbara		1		1	
Leganes	1		1		1
Lambunao	1	1		1	
Estancia	1		1		1
Dumangas	1	1		1	
Dingle	1		1		1
Total	10	7	7	7	9

<https://drive.google.com/drive/folders/1D8hwWDAMbkMyG8vull1WwopEsR5bNHZlm?usp=sharing>

Source: List of 2022 Registered Barangay Microbusiness Enterprises by The Department of Trade and Industry Regional Office VI, 2022

Ethical Considerations

In terms of the identities of the respondents and all BMBE stakeholders involved, this study adhered to high ethical standards and practices. The respondents were informed that this work will not negatively affect them before the conduct of the individual interviews and small focus group discussions because it is simply an oral narration of their individual and perceived experiences with the impact of the BMBE Law in the province of Iloilo.

RESULTS AND DISCUSSIONS

The researcher found that the impact of the implementation of the microenterprise law (*BMBE Law*) as perceived by BMBE owners, consumers, suppliers, employees, and government bodies was generally positive and favorably advantageous to all five (5) identified stakeholders which were further categorized into various themes and category. Since these 5 major stakeholders in the implementation of the law effectively act as breeding grounds for Filipino entrepreneurial talents, BMBEs are crucial to the economic health and development of the holistic and spherical welfare of the nation. Relatively, the law's main goal is to bring micro businesses in the informal sector of the economy into the mainstream. Accordingly, thematized impacts to identified stakeholders include; BMBE Owners - *Self-fulfilled parents and anticipation for members' maximization of supposed benefits*, BMBE Consumers - *More buying options*, BMBE Suppliers - *Increased sales*, BMBE Employees - *Sustainable Livelihood*, and Government Authority - *Quest for humanitarian acts and quality services as public servants*. Despite the impactful results of the study, some evidence revealed the lack of information and understanding about the existence of the law and its peculiarity to other parts of rural areas, especially in highly remote and uptown areas, leaving some registered microenterprises "BMBEs" unaware of the other forms of incentives they could have availed. Perceived impact as viewed by various BMBE Law stakeholders can be broken down as follow;

BMBE Owners

Self-fulfilled parents and anticipation for members' maximization of supposed benefits. Taking into consideration all the relative provisions of the law, its summated perceived financial and personal impact includes holistic development of economic growth of the BMBE owners. The summated narratives show an evident trend of increasing BMBE owners' financial capacity. As BMBEs tend to earn higher take-home pay because of the varied favorable effects of the incentives, it created personal fulfillment for the families affected. Some BMBE owners

were able to save enough money to be used in paying regular tuition and school fees of their children, and eventually attain academic excellence. Achieving educational success means a lot to many typical Filipino cultures and heritages, especially to those less privileged and disadvantaged. For them, achieving such is tantamount to self-fulfillment and the realization of their desires for themselves, their children, and their family members. However, despite this favorable perceived impact, respondents expressed their reserved frustrations and expectations about the current implementation of the law. As narratives were disclosed, striking statements revealed that BMBEs were a bit frustrated about the other probable benefits that they could have enjoyed, if only they were knowledgeable and well-informed about the other incentives of the law. With this, they could have experienced if not all, at least most of the incentives as BMBEs.

“Sa kabilugan, nakabulig man gid ang BMBE samon nga kabuhi kay mas nag dako gid amon nga income kompara sang ligad nga mga operasyon kag naka-save kami sa sweldo kag wala gid kami may ginabayaran nga tax, bisan ang amon nga kita way gid nakalab-ot sang ceiling para magbayad sang tax, dako na gid na bulig ang BMBE law sa amon nga mga gasugod pa lang. Tungod sini, na amat-amat namon patapos amon isa ka anak. Basta makita namon amon nga bata nga matapos sa iya pagskwela, malipay kag kontento na kami sina. Pero mas nami tani if mas mahimuslan namon ang bilog gid mga mga incentives kag benepisyo nga tani mabaton namon (P8, Excerpt 6, x8/10). “

“In totality, the BMBE Law was able to help in uplifting our lives since it generated higher profits for us compared to our previous operations, and we were able to save funds due to lesser employee salaries and non-payment of any tax liability. Though our income originally did not reach for normal tax exemption, for starters like us, the law was a big help and because of this, we were able to send our children to school and graduate from it. So long as we can see our children finished their studies, we are already happy and contented with it. But it could have been better if we will be able to maximize and enjoy all the incentives and benefits that a registered BMBE should possibly get.”

Consumers

More buying options. Consumers as one of the stakeholders indirectly affected by the implementation of the BMBE Law still possess a financial and personal impact as it dwells with the other stakeholders in the BMBE community. Consumers primarily depend on the availability of goods and services being offered by BMBEs. With the positive results culled from the findings on BMBEs' favorable outcome on having a positive financial impact, it connotes a domino effect of reflecting positive results and impact to the consumers and suppliers.

As narratives show, BMBEs flourished and became financially able, evidenced by their capacity to buy various goods for resell. This, in turn, creates a positive perceived impact on

consumers as it provides a wider and larger option in their buying behavior, preference, and options. Such impact provides a sense of convenience and expediency on the part of consumers. Moreover, the findings demonstrate that public service and programs, including transparency and accountability, political stability, government effectiveness of its offered programs, quality of the rule of law, and management of law corruption control, have a favorable effect on the relationship of trust between consumer news and significant stock market indices (Trang & Hang, 2023).

“Amo to nga, nasadyahan gid kame sa ila, sa base sa amon na-obsarbaran pag makita kag mabatsagan namon nga damo gid ila nga mga display na producto kag items kay buot silingon nami ang kita sa ilaha nga negosyo kag nami ang epek sa sina nga laye. Dako man amon nga pasalamat kay damo ila display sa ila tindahan hindi na kame makadto sa layo nga lugar para lang mamakal (P16, Excerpt 14, x4/7).”

“That’s why we’re very glad and pleased to see them happy for, every time we can observe that their stores and stalls are filled with lots of products and display items that means the law has been beneficial to them. Our big thanks and appreciation to these BMBEs as well since they were able to display more variations of items, there’s no need for us to go farther to buy goods we need.”

Suppliers

Increased sales. Suppliers, just like consumers, are one of the stakeholders who are indirectly impacted by the implementation of the BMBE Law. Relatively, they also have a financial and personal influence as they also dwell and are a part of the BMBE community. Consequently, suppliers in this sense benefited in a way wherein BMBEs are now capable of buying more goods available for display which in turn is beneficial to suppliers as sales will increase due to more purchases done by BMBEs to them. This sustainable impact depicts a win-win solution for all identified stakeholders both the consumers, suppliers, and BMBEs.

“Sa amon nga nakita, ning-taas gid ang amon kita tungod sang ila nga perming pagbakal sa amon nga mga produkto (P20, Excerpt 18, x6/7).”

“Based on our observation, our sales increased because of their constant patronage and purchases from our products.”

Employees

Sustainable Livelihood. Employees certainly contribute a big parcel of success elements to any identified business. Their contribution, hard work, and dedication are invaluable characteristics that greatly add value and an irreplaceable dosage of worth and fiduciary elements in the organization. Yet, the quest of assigning quantitative worth to their efforts, impact, and worth remains a constant battle and an unresolvable problem.

Exemption from the coverage of minimum wage law greatly provided an economic advantage for BMBE owners yet a bit depriving to the economic welfare of the employees. However, once taken as a whole, summated narratives revealed that the immediate impact on employees may negatively be discouraging to them but the long-term impact and concern of having a continuous source of living is their top priority. Hence, the statements revealed the long-term sustainable impact on the employed employees having a sustained job born out of the BMBE employment, thus assuring and increasing organizational commitment to stay and to do well. As a result, employees with a high level of organizational commitment make a serious effort to complete the duties and activities assigned to achieve organizational goals by contributing fresh ideas that are crucial for achieving the best performance (Bogar, 2023).

“Sa kada magahatag kami sa sweldo para sa amon nga mga trabahante, kadako gid sa klase nga benepisyong kag bulig kay indi na kami ayawan kag way na kame naayawan sang pagbayad sang minimum wage kay way na gid kami kapasidad para magbayad sina nga kwarta, sa lima namon nga tinawo nabudlayan pa kame pangita sang ibayad, pag magpasweldo kami sang minimum malugi gid kami. Pero saakon nga nabatian, siling sang amon mga empleyado nalipay man sila nga maskin gamay lang gid ila mabaton nga sweldo pero at least permi lang sila permanente nga pangabuhian. (P31, Excerpt 29, x3/7). “

“In giving your salaries and wages to employees, it’s a big help for us wherein we don’t have to follow the minimum wage order by DOLE because we cannot afford to pay that, with our 5 employees it’s really hard for us to pay them if we will follow the minimum wage, we will operate at a loss, But based on what I’ve heard from our employees, they are already happy although we’re paying them a small amount of salary so long as they are guaranteed with a sustained source of income. “

“Nasadyahan gihapon kame sang sina nga laye kay nabuligan amon nga mga employer para makabaton gihapon kami sang sweldo, maskin gamay basta permi kag regular (P25, Excerpt 23, x4/7).”

“We remain grateful for the law since it enabled our employers to pay us a salary, no matter how meager, as long as it is consistent and sustainable.”

Government Body

Quest for humanitarian acts and quality services as public servants. As government regulatory bodies continue to embody and provide quality services to BMBEs concerned, the quest to constantly attain at-par services and unmodified level of excellent services to all its valued clientele remains a challenge. Further, as noted, these government agencies identified in implementing BMBE Law play a significant part in microenterprises as they aid in increasing and supporting BMBEs' performances and assist economic growth as it creates chances for employment, poverty reduction, and economic development. The summarized narratives revealed that government bodies' morale and self-esteem to do better at work as public servants

continue to grow. Their desire to help BMBEs strive for betterment grows bigger as the sentiments and inspiring testimonies of BMBEs made them more purposeful and meaningful as individual worker. Further, as government workers, they are aimed and directed to always provide quality and decent services and attention to all clients and customers, as it will also directly affect and determine their job performances that will serve as a basis for job analysis, promotion, any retrenchment, and demotion if the need arises.

“Indi man kami perpekto nga empleyado pero base sa nabatian namon nga mga sitwasyon sa amon nga mga BMBEs, daw mas giganahan kami nga maghatag sa amon nga serbisyo nga puno sang sinseridad kag pag panumdom para sa ila nga kaayuhan. (P39, Excerpt 36, x7/9).”

“We are not perfect employees in the government service but based on the things and situations we heard from our BMBEs, it’s like we became more determined to give our utmost service that is filled with sincerity and to think of their greatest welfare and ang betterment.”

“Kami gid di ya, kada nagaobra kami samon nga parte ginaseryoso man gid me namon ang hatag sang intskato nga serbisyo kag ang kalidad sang ginbaton nga serbisyo sa amon nga kliyente kay tuod-tuod kag sigurado gid kami ya nga nami, tinlo kag mayad gid. Kung law-ay amo serbisyo makita sina sang among job rating/performances, maayawan kami lagas sang mga bad records para magpabilin kami sa amon mga obra kag position (P36, Excerpt 39, x2/9”

“We are serious here in fulfilling our duties and responsibilities that’s why we can assure that the services our clients get from us were quality guaranteed. If our services are poor that will be reflected in our job performances, hence, we will find it hard to recover bad records for us to stay in our current jobs and position.”

CONCLUSIONS

The implementation of the BMBE Law has favorably and positively impacted all identified stakeholders provided that it had been enacted since 2002, posing a firm position of serving thousands of registered micro enterprises in the country for more than 2 decades already. The results of the study culled majorly the personal impact of the stakeholders making their lives better and financially advantaged and favored as compared to times wherein the law still did not exist. In particular, the law had been impactful and sentimental to most BMBE owners as it gave personal self-fulfillment and satisfaction, naming the fact that most owners, being a parent at the same time, became self-fulfilled individuals after seeing their children being able to finish their collegiate academic studies because of the financial advantage attributed by law’s incentives and privileges.

However, certain provisions of the law remained unfamiliar and not availed by the stakeholders because of the incentives’ peculiarity leaving some stakeholders’ level of awareness about the law’s existence relatively low and poor. Moreover, three (3) out of the 5

law's privileges remained fairly known compared to its 2 other incentives on tax exemption and exemption from the coverage of minimum wage law which favorably garnered impactful results. To date, the quest for a constant and unending in-depth understanding of the law keeps moving until it became widely familiar and understood.

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