

The Extent of Implementation of Republic Act No. 9178 Known as Barangay Micro Business Enterprises (BMBE) Act of 2002

Marecris L. Codon

School of Graduate Studies, St. Louise de Marillac College of Sorsogon, Inc., Sorsogon City, Philippines

E-mail: maricrescodon@gmail.com

Abstract—This study assessed the level of awareness and extent of utilization of the Barangay Micro Business Enterprises (BMBE) incentives and benefits, as well as to evaluate the growth status of these enterprises in the Municipality of Gubat, Sorsogon. The research focused on understanding the profile of BMBEs, their awareness of available incentives, the extent of utilization of these incentives, and the strategies employed to improve sales and capital. Data were collected from 26 respondents through surveys and analyzed using descriptive statistics. The study employed a mixed-methods approach, combining quantitative data on business profiles and awareness levels with qualitative insights into the utilization of incentives and benefits. The findings revealed that BMBEs in Gubat, Sorsogon, are predominantly engaged in service or merchandising businesses, with no involvement in manufacturing. Most BMBEs operate with minimal start-up capital and have been in operation for 0 to 3 years. The level of awareness among BMBE owners regarding available incentives and benefits is generally low, leading to underutilization of support mechanisms. Micro-businesses rarely receive support in technology transfer, production and management training, and marketing assistance. Key factors contributing to their success include access to capital, skills development, effective marketing, efficient financial management, regulatory compliance, networking, and a focus on product development and market research. The study highlighted the need for increased awareness and better utilization of BMBE incentives and benefits. Recommendations include encouraging diversification into manufacturing, implementing comprehensive awareness campaigns, increasing the availability of support programs, and regularly updating business plans to ensure relevance and effectiveness. By fostering a supportive ecosystem, the full potential of BMBEs can be unlocked, driving economic development and creating thriving communities in Gubat, Sorsogon.

Keywords— BMBE, Incentives, Awareness, Utilization, Growth, Business Management and Credit Delivery.

I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in providing income opportunities, training, and work experience for millions of individuals worldwide, thereby facilitating their entry into the labor market (Milagrosa, 2014). In the Philippines, MSMEs have been identified as a focal point for economic development efforts, owing to their capacity to generate employment and alleviate poverty (Madamba, 2010).

As reported by the Philippine Statistics Authority (PSA), 1,109,684 businesses were operating in the Philippines in 2022, of which 1,105,143 (99.59%) were classified as MSMEs, while 4,451 (0.41%) were large enterprises.

Among these MSMEs, micro-businesses comprised 90.49% (1,004,195), followed by small enterprises at 8.69% (96,464) and medium enterprises at 0.40% (4,484). This data underscored the significance of MSMEs as the predominant source of income in the country.

The government plays a pivotal role in enhancing the performance of MSMEs and fostering economic growth by creating employment opportunities, reducing poverty, and promoting overall economic development. However, in recent decades, various organizational policies and environmental factors have posed challenges that hinder growth, including inadequate government subsidies, incentives, and tax frameworks in emerging economies (Alkahtani, 2020). Furthermore, Rapisura (2019) identified several obstacles faced by these enterprises, including a lack of managerial skills among Entrepreneurs, limited access to technology and financing, insufficient information, and an unfavorable business climate.

To support micro-enterprises in competing with larger firms and to integrate informal sectors into the formal economy, the government enacted “Republic Act No. 9178, known as the Barangay Micro Business Enterprises (BMBEs) Act of 2002.” This Act promotes the establishment of BMBEs and provides various

incentives and benefits, including (1) income tax exemption from business operations; (2) exemption from the Minimum Wage Law; (3) credit delivery; and (4) technology transfer, along with production and management training and marketing assistance (Republic Act No. 9178,2002).

According to Section 3(a) of the Act, a “Barangay Micro Business Enterprise” is defined as any business entity engaged in the production, processing, or manufacturing of goods, including agro-processing, trading, and services, with total assets not exceeding Three Million Pesos (P3,000,000.00), exclusive of land. Moreover, “services” excludes those provided by individuals duly licensed by the government following a licensing examination related to their profession. The enactment and implementation of the BMBE Act have been widely disseminated across the country over the past two decades (Manipol, 2023). Manipol's study concluded that the Act is effectively implemented in the Municipality of Katipunan, Zamboanga del Norte, while Aldeguer (2015) found that its effectiveness varied across seventeen cities in Metro Manila. A study by Garambas and Pinos-an (2021) revealed lack of awareness among microbusiness owners and barangay leaders regarding the existence of the Act, with only implementing agencies recognizing its partial implementation in La Trinidad, Benguet.

Other researchers, including Herpacio and Hidalgo (2018), Peter et al. (2018), and Notiamoah et al. (2016), noted that state aid significantly impacts the productivity, profitability, and financial performance of businesses. Their findings indicate a positive correlation between government support—such as subsidies, training, marketing assistance, and favorable policies—and firm growth as measured by profitability and productivity. Conversely, Alera et al. (2022) reported that the impact of BMBE incentives on micro-entrepreneur's growth and development remains inconclusive, as only two incentives were utilized by the business owners surveyed.

Despite the existence of the BMBE Act for over two decades, limited progress has been observed in the development of micro-enterprises, warranting further investigation. In Sorsogon province, there were 1,092 registered BMBEs in 2021, with 105 located in Gubat, Sorsogon, where this study is focused. Most BMBEs in Gubat are concentrated in the Poblacion area. Although numerous microbusinesses are emerging in the municipality, few are registered as BMBEs, possibly

due to a lack of awareness regarding the BMBE Act of 2002 and the associated incentives that could foster business growth. Therefore, microbusiness owners, barangay leaders, and implementers need to possess comprehensive knowledge of the BMBE law. Understanding the significance of available incentives and benefits is critical, as these factors can significantly influence business outcomes.

This study assessed the current status of BMBEs in Gubat, Sorsogon, specifically examining the level of awareness and utilization of BMBE incentives and benefits, as well as the growth status of these enterprises in terms of profit, sales, and capital.

II. OBJECTIVES

This study assessed the level of awareness and extent of utilization of the Barangay Micro Business Enterprises (BMBE) incentives and benefits, as well as to evaluate the growth status of these enterprises in the Municipality of Gubat, Sorsogon. The research specifically addressed the following questions:

1. What is the profile of Barangay Micro Business Enterprise (BMBE) in Gubat, Sorsogon:
 - 1.1 Type of Business;
 - 1.2 Start-up Capital; and
 - 1.3 Years of Operation as a BMBE
2. What is the level of awareness among registered BMBE owners in Gubat, Sorsogon, regarding the available BMBE incentives and benefits?
3. To what extent are BMBE incentives and benefits utilized by Barangay Micro Business Enterprises in the Municipality of Gubat, Sorsogon?
4. How are incentives and benefits utilized by BMBEs to improve sales and capital?
5. What business plan could be proposed to utilize the incentives and benefits from BMBE operations?

III. METHODOLOGY

This research employed a quantitative descriptive research design, leveraging the survey method to achieve its objectives. The following results were gathered, analyzed and interpreted by the researcher based from the objectives of the study. Tabular presentation and textual analysis and interpretation were also used.

The study focused on registered Barangay Micro Business Enterprises (BMBEs) in Gubat, Sorsogon, making this approach ideally suited for understanding the nuances of this specific group. The rationale behind selecting this design is directly linked to the research

questions being addressed. The study established a profile of the registered BMBEs, assessed their level of awareness and the degree to which they utilized available incentives and benefits, and determined their growth status in terms of profit, sales, and capital.

A recent study focused on the registered BMBEs located at the market site, Barangay Luna Candol, Manook, Herrera St. and Poblacion Gubat, Sorsogon, aimed to explore the landscape of micro-enterprises operating within its borders. The research centered on the owners of registered Barangay Micro Business Enterprises (BMBEs) located in selected barangays mentioned above. These BMBEs, vital components of the local economy, often represent the entrepreneurial spirit and ingenuity of the community.

IV. RESULTS AND DISCUSSION

The following presents the interpretation and analysis of the data obtained from the survey and interview. It

begins with a discussion of the profile of Barangay Micro Business Enterprise (BMBE) in Gubat, Sorsogon in terms of Type of Business; Start-up Capital; and Years of Operation as a BMBE.

This likewise provides a comprehensive discussion of the results of the level of awareness among registered BMBE owners in Gubat, Sorsogon, regarding the available BMBE incentives and benefits, the extent of utilization of BMBE incentives, and how these incentives improved BMBE sales.

1. Profile of Barangay Micro Business Enterprise (Bmbe) in Gubat, Sorsogon

Table 1 presents the profile of the respondents in survey indicate that Barangay Micro Business Enterprises (BMBEs) in Gubat, Sorsogon, are primarily engaged in either service or merchandising businesses, with no respondents involved in manufacturing.

Table 1. Type of Business

Type of Business	Frequency	Percentage (%)
Service	11	57.70
Merchandising	15	42.30
Total Respondents	26	100

As shown in Table 1, 15 out of 26 respondents (57.7%) operate merchandising businesses, while 11 respondents (42.3%) are engaged in service-related enterprises. The complete absence of manufacturing businesses suggests that local micro-entrepreneurs in the area may prefer ventures requiring lower capital investment and operational complexity.

The dominance of merchandising and service-oriented enterprises aligns with the common trend observed in micro-enterprise development, where entrepreneurs prioritize businesses with minimal production costs and immediate market demand (Gonzales et al., 2020). Merchandising businesses, such as retail stores and trading, require lower start-up capital compared to manufacturing, making them more accessible to small-scale entrepreneurs. Meanwhile, service-based businesses, including repair services, beauty salons, and food stalls, cater to the daily needs of the community, ensuring a steady customer base (Torres & Rivera, 2021).

The lack of manufacturing enterprises can be attributed to several factors, including the need for specialized skills, higher capital investment, and the availability of

raw materials. Previous studies indicate that micro-enterprises in rural areas tend to avoid manufacturing due to infrastructure limitations and challenges in accessing supply chains (Martinez, 2019). Moreover, given the economic landscape of Gubat, Sorsogon, local entrepreneurs may perceive manufacturing as a less viable option due to constraints in labor availability, machinery costs, and regulatory requirements.

The prevalence of merchandising and service-based businesses highlights the necessity for local government units (LGUs) and support institutions to design programs that cater to the needs of these sectors. Specifically, financial assistance, skills training, and digital marketing strategies could be implemented to help micro-businesses enhance their competitiveness and sustainability (Department of Trade and Industry [DTI], 2021). Furthermore, the absence of manufacturing enterprises suggests an opportunity for policymakers to encourage small-scale production ventures by providing incentives, access to raw materials, and technical training.

The results of this study corroborate existing literature on micro-business trends in rural areas. According to

Soriano and Castillo (2020), most micro-enterprises in the Philippines operate in the merchandising and service industries due to their ease of entry and relatively lower risks compared to manufacturing. Additionally, Rañola and Villanueva (2022) emphasized that the sustainability of these enterprises largely depends on government support, market access, and entrepreneurial competencies.

Furthermore, the findings align with the study by De Guzman (2018), which highlighted the role of informal and micro-businesses in driving local economies. The study suggested that while manufacturing enterprises can contribute significantly to economic growth, they require extensive support in terms of capital investment,

infrastructure, and technological advancement. Thus, fostering an environment conducive to manufacturing could diversify business opportunities and promote economic resilience in Gubat, Sorsogon.

1.1 Start-Up Capital

Table 1.1 presents the profile of the respondents in terms of capitalization. The results presented in Table 1.1 reveal that the majority of BMBEs in Gubat, Sorsogon, operate with minimal start-up capital. Specifically, 24 out of 26 respondents (92.3%) started their businesses with less than PHP 100,000, while only 2 respondents (7.7%) had initial investments ranging between PHP 100,001 and PHP 200,000. No respondents reported using capital beyond this range.

Table 1.1. Start-Up Capital

Capitalization	Frequency	Percentage (%)
Less than 100,000	24	92.30
100,001 to 200,000	2	7.70
Total Respondents	26	100

The data suggest that most micro-entrepreneurs in the area rely on small-scale investments to establish their businesses. This trend aligns with findings from previous studies, indicating that micro-enterprises often operate with limited financial resources and depend on personal savings, informal lending, or small loans for capital (De Guzman, 2018). The prevalence of low capital investment also suggests a cautious approach to business initiation, where entrepreneurs aim to minimize financial risks and maximize returns through incremental growth (Soriano & Castillo, 2020).

The small-scale nature of these investments may also reflect challenges in accessing formal financial institutions. Many micro-entrepreneurs face barriers such as stringent loan requirements, high interest rates, and lack of collateral, which limit their ability to secure larger funding for business expansion (Rañola & Villanueva, 2022). Consequently, the reliance on low-capital businesses may restrict growth opportunities, keeping many enterprises at a subsistence level.

The findings highlighted the need for enhanced financial support systems to aid micro-entrepreneurs in accessing higher capital investments. Government agencies and financial institutions can play a crucial role in addressing these challenges by offering microfinance programs, low-interest loans, and financial literacy training tailored to small-scale business owners (Department of Trade and Industry [DTI], 2021).

Additionally, fostering partnerships between micro-businesses and local cooperatives could provide alternative funding sources and improve access to credit.

Moreover, financial constraints may limit the adoption of technology, marketing strategies, and expansion efforts among BMBEs. Providing technical assistance and entrepreneurial training programs could help business owners optimize their limited capital, enabling them to scale their operations effectively (Torres & Rivera, 2021). Encouraging innovative financial solutions such as crowdfunding and digital lending platforms may also facilitate greater access to capital for micro-enterprises.

The results of this study corroborated existing literature on micro-business trends in rural areas. Soriano and Castillo (2020) said that most micro-enterprises in the Philippines operate in the merchandising and service industries due to their ease of entry and relatively lower risks compared to manufacturing. Additionally, Rañola and Villanueva (2022) emphasized that the sustainability of these enterprises largely depends on government support, market access, and entrepreneurial competencies.

Furthermore, the findings align with the study by De Guzman (2018), which highlighted the role of informal and micro-businesses in driving local economies. The study suggested that while manufacturing enterprises

can contribute significantly to economic growth, they require extensive support in terms of capital investment, infrastructure, and technological advancement. Thus, fostering an environment conducive to manufacturing could diversify business opportunities and promote economic resilience in Gubat, Sorsogon.

1.2 Years of Operation as a BMBE

Table 1.2 shows the profile of the respondents in terms of years in business. The findings indicate that all respondents (100%) have been operating their

businesses for a duration of 0 to 3 years, with no businesses falling within the 4 to 6-year range or beyond. This result suggests that the micro, small, and medium enterprises (MSMEs) classified under the Barangay Micro Business Enterprises (BMBE) category in the study are relatively new ventures. This trend could be attributed to various factors, such as the recent enactment of supportive policies, the accessibility of startup resources, or a shift in entrepreneurial interest within the locality.

Table 1.2. Number of Years in Business

Capitalization	Frequency	Percentage (%)
0 to 3 years	26	100
4 to 6 years	0	
Total Respondents	26	100

The predominance of businesses within the 0 to 3-year range indicates that the respondents are primarily in the early stages of business development. According to Churchill and Lewis (1983), businesses typically undergo different stages of growth, beginning with existence, where entrepreneurs focus on product development and market penetration. The fact that none of the businesses have surpassed the 3-year mark may imply challenges in business sustainability, which could be influenced by factors such as financial constraints, market competition, and operational inefficiencies (Ghosh, 2017).

A study by Fatoki (2014) emphasized that micro-enterprises face a high risk of failure within the first three years due to limited financial and managerial capacity. Similarly, the findings of Shane (2003) highlighted that entrepreneurial success is largely dependent on access to capital, business skills, and favorable market conditions. The absence of businesses beyond the 3-year threshold may suggest a need for enhanced government support mechanisms, mentorship programs, and financial literacy training to aid business longevity.

The results have several implications for policymakers, business development agencies, and entrepreneurs. First, the short duration of operation among all surveyed businesses implies a need for interventions that can enhance business survival rates. Programs that focus on capacity building, access to financial resources, and market expansion strategies can play a crucial role in supporting these enterprises beyond their formative years (Mazzarol, 2014).

Furthermore, this result underscored the importance of providing tailored support for newly established enterprises, including training in business management, financial planning, and strategic marketing. Government agencies and non-governmental organizations (NGOs) should also consider implementing incubation programs that offer mentorship, networking opportunities, and technical assistance (Bruton, Ahlstrom, & Si, 2015).

Additionally, the lack of businesses beyond the 3-year mark raises questions about the sustainability of micro-enterprises in the study area. Research by Storey (1994) suggested that survival rates for small businesses are influenced by external environmental factors such as economic conditions, regulatory policies, and access to financial support. Given the findings, further studies should explore the barriers that prevent businesses from progressing beyond their early years.

The results align with previous research that highlighted the challenges faced by startups and micro-enterprises. According to Van Praag and Versloot (2007), small businesses contributed significantly to economic growth but often struggle with longevity due to resource constraints. Similarly, Beck, Demirgüç-Kunt, and Levine (2005) emphasized that access to financing remains a critical factor in ensuring the sustainability of micro-businesses. The study’s findings reinforced these arguments by showing that businesses in the sample have yet to transition into longer operational phases.

Moreover, previous studies on micro-enterprise development indicated that businesses in developing economies often experience a high attrition rate within

the first few years (Ayyagari, Beck, & Demirgüç-Kunt, 2007). This study's findings further support this notion by demonstrating that all surveyed businesses remain in the initial stage of operation, thereby requiring targeted interventions to ensure their long-term viability.

2. Level of Awareness Among Registered Bmbe Owners in Gubat, Sorsogon, Regarding the Available BMBE Incentives and Benefits

Table 2.0 shows the level of awareness of the respondents. The findings presented in Table 2.0 indicate that the respondents exhibit a low level of awareness regarding the benefits and incentives available to Barangay Micro Business Enterprises (BMBEs).

The overall average mean score of 2.15 suggests that respondents are only "slightly aware" of the various provisions and support mechanisms offered by the government to BMBEs. The highest-ranked indicator, with a mean of 2.43, pertains to the awareness of exemption from compliance with the Minimum Wage Law.

This suggests that among all incentives, business owners are most informed about wage-related policies. Conversely, the lowest-ranked indicator, with a mean of 1.58, pertains to the awareness of employee benefits, indicating a significant gap in knowledge regarding labor policies and social protection.

These results point to the necessity of specific dissemination of information and awareness campaigns to close the awareness gap of BMBE owners. The paucity of awareness on employee benefits implies a lack of knowledge on labor rights and duties, which could concurrently impact business performance and worker's welfare. Moreover, the comparatively greater consciousness of minimum wage exemptions suggests that entrepreneurs are more sensitive to economic incentives than general support schemes. This highlights the role of government agencies and local business associations in making available clear and comprehensive information.

Table 2. Level of Awareness of the Respondents

Indicators	Mean	Interpretation
Awareness that your business is exempted from compliance with the Minimum Wage Law.	2.43	Slightly Aware
Awareness that your business can avail loan through a special credit window that will service your business' financing needs.	2.40	Slightly Aware
Awareness that your business is exempted from income tax for income arising from the operations of the enterprise.	2.30	Slightly Aware
Awareness that your business, especially the employees, can avail of production and management training.	2.15	Slightly Aware
Awareness that your business has access to technological transfer from government agencies, such as DTI, DOST, etc..	2.12	Slightly Aware
Awareness that your business can avail a reduction or exemption from local taxes and fees.	2.10	Slightly Aware
Awareness that your business can receive marketing assistance.	2.08	Slightly Aware
Awareness that all your employees are entitled to the same benefits given to any regular employee such as social security and healthcare benefits.	1.58	Slightly Aware
Average Mean	2.15	Slightly Aware

Note: 4.50-5.00=highly aware; 3.50-4.49=moderately aware; 2.50-3.49=somewhat aware; 1.50-2.49=slightly aware; 1.00-1.49=not aware

The results suggest that while some business owners may have limited knowledge of key BMBE policies, overall awareness remains low across all indicators. This finding aligns with previous studies indicating that small business owners often lack comprehensive knowledge of regulatory frameworks and financial support mechanisms (Fatoki, 2014). One possible

reason for this lack of awareness is the inadequate dissemination of information by government agencies. Despite the presence of support programs, entrepreneurs may not have access to clear and easily understandable information regarding eligibility, application processes, and benefits (Beck, Demirgüç-Kunt, & Levine, 2005).

Moreover, the limited awareness of exemptions from income tax (mean = 2.30) and local taxes and fees (mean = 2.10) suggests that many entrepreneurs may not be maximizing available financial incentives. This could result in lost opportunities for cost savings and business growth. Additionally, the low awareness of technological transfer (mean = 2.12) and marketing assistance (mean = 2.08) suggests that respondents may not be leveraging available government resources to enhance business competitiveness and innovation.

The low level of awareness among respondents has significant implications for business sustainability and growth. First, limited knowledge of tax exemptions and financial assistance programs may lead to unnecessary financial burdens on micro-enterprises, affecting their profitability and long-term viability. Entrepreneurs who are unaware of wage exemptions and financial incentives may also face challenges in complying with regulatory requirements, potentially leading to legal and financial risks (Mazzarol, 2014).

Second, the low awareness of training opportunities and technological transfer initiatives suggests that entrepreneurs may not be acquiring essential skills and knowledge for improving business operations. Research has shown that access to business development services, including training and mentorship, plays a crucial role in enhancing entrepreneurial competencies and fostering innovation (Bruton, Ahlstrom, & Si, 2015). Without adequate awareness, BMBEs may struggle to adapt to changing market demands and technological advancements.

Lastly, the lack of awareness regarding employee benefits has implications for labor relations and workforce retention. Employees who do not receive proper social security and healthcare benefits may experience job dissatisfaction, leading to high turnover

rates and reduced productivity (Storey, 1994). This finding underscored the need for targeted information campaigns that emphasize both employer and employee rights and responsibilities.

The results of this study are consistent with existing literature, which highlights the critical role of awareness in maximizing the benefits of government policies for micro-enterprises. Van Praag and Versloot (2007) said that entrepreneurs who possess knowledge of available support programs are more likely to experience business growth and sustainability. Similarly, Ayyagari, Beck, and Demirgüç-Kunt (2007) found that financial literacy and regulatory awareness are key determinants of small business success.

Beck et al. (2005) emphasized that access to financial services and policy incentives significantly influences business performance, yet many small business owners remain unaware of such opportunities. This aligns with the study's findings, indicating that low awareness may be a barrier to optimizing government-provided benefits. Additionally, Shane (2003) noted that information asymmetry in the entrepreneurial ecosystem can hinder business success, particularly for micro-enterprises that rely on external support for growth.

3. Extent of Utilization Among Registered Bmbe Owners in Gubat, Sorsogon, Regarding The Available Bmbe Incentives and Benefit

As depicted in Table 3.1, the findings of this study reveal a generally low level of utilization among respondents regarding tax exemptions for micro-businesses, as reflected in the overall mean score of 1.74, which falls within the "Low" category. This suggests that while some level of awareness exists, it is insufficient to ensure consistent and accurate compliance with tax obligations and the utilization of available exemptions.

TAX EXEMPTIONS

Table 3.1. Extent of Utilization of the Respondents on Tax Exemptions

Exemption from Taxes and Fees	Mean	Interpretation
I am filing my micro-business Income Tax Return on or before its due date.	2.10	Low
I am filing my micro-business Income Tax Return on an accurate basis.	2.00	Low
My micro-business pays less amount or avails exemption from local taxes, and charges.	1.56	Low
My micro-business avails Income Tax Exemption	1.52	Low
I am enjoying Exemption from Taxes and Fees.	1.50	Low
Average Mean	1.74	Low

Note: 4.50-5.00=Very High; 3.50-4.49=High; 2.50-3.49=Moderate; 1.50-2.49=Low; 1.00-1.49=Very low

The highest-ranked item, "I am filing my micro-business Income Tax Return on or before its due date," has a mean score of 2.10, indicating that respondents rarely adhere to timely filing. This suggests potential challenges related to awareness of deadlines, financial constraints, or difficulties in tax compliance procedures. Similarly, the second-ranked item, "I am filing my micro-business Income Tax Return on an accurate basis" (mean = 2.00), reinforces the notion that respondents struggle with proper tax filing, potentially due to inadequate knowledge of tax computation or a lack of professional assistance.

Furthermore, responses regarding the actual utilization of tax exemptions highlight an even lower level of awareness and engagement. "My micro-business avails Income Tax Exemption" (mean = 1.52) and "My micro-business pays less amount or avails exemption of local taxes, fees, and charges" (mean = 1.56) both indicate that respondents rarely benefit from such exemptions, despite their availability. The lowest-ranked statement, "I am enjoying Exemption from Taxes and Fees" (mean = 1.50), suggests that most micro-business owners are either unaware of their eligibility or unable to navigate the procedures required to claim exemptions.

The results have significant implications for tax authorities, policymakers, and micro-business owners. The low level of awareness and utilization of tax exemptions suggests that government agencies need to enhance their information dissemination efforts. Tax education programs, simplified tax filing processes, and targeted outreach to micro-business owners could improve awareness and compliance. Moreover, financial institutions and business development organizations could play a crucial role in bridging the knowledge gap by offering training and advisory services related to taxation.

From an economic perspective, the underutilization of tax exemptions may hinder the growth and sustainability of micro-businesses. Studies have shown that tax incentives and exemptions play a vital role in reducing financial burdens on small enterprises, enabling them to

reinvest in business expansion and job creation (Bird & Zolt, 2015). If micro-business owners remain unaware of these benefits, they may face unnecessary financial strain, limiting their potential for long-term success.

The findings of this study align with prior research highlighting the challenges of tax compliance among small business owners. According to Alm, Cherry, Jones, and McKee (2012), tax compliance behavior is influenced by factors such as knowledge, perceived fairness of the tax system, and enforcement measures. The low level of awareness observed in this study suggests that a lack of knowledge about tax exemptions may contribute to non-compliance or suboptimal utilization of tax benefits.

Similarly, empirical studies have emphasized the role of education and simplification in improving tax compliance (Saad, 2014). For instance, the OECD (2019) suggests that small business tax compliance can be enhanced through digital platforms, taxpayer assistance programs, and tax literacy campaigns. The results of this research reinforce these findings by demonstrating that a significant proportion of micro-business owners fail to benefit from available exemptions, potentially due to informational barriers and bureaucratic complexities.

Moreover, the study by Slemrod (2019) highlighted that simplifying tax policies and increasing awareness can lead to higher compliance rates and better economic outcomes for small businesses. The results of this study underscored the need for such simplification efforts, particularly in the context of micro-business taxation.

MINIMUM WAGE LAW

The findings of this study as presented in Table 3.2 indicate a generally low level of awareness among micro-business owners regarding exemptions from the Minimum Wage Law (MWL), as reflected in the overall mean score of 1.99, categorized as "Low." This suggests that while some respondents may have a basic understanding of MWL-related provisions, their awareness is insufficient to ensure compliance or maximize available exemptions.

Table 3.2. Extent of Utilization of the Respondents on MWL

Exemption from Minimum Wage Law (MWL)	Mean	Interpretation
I am paying my employees' compensation on a timely basis.	2.29	Low
I am paying my employees following the Minimum Wage Law	2.15	Low
I am enjoying Minimum Wage Exemption.	2.01	Low
My micro-business avails Minimum Wage Exemption.	1.87	Low

I provide my employees with certain benefits such as SSS, PhilHealth, HDMF, etc.	1.83	Low
My micro business is capacitated to pay at or above the Minimum Wage.	1.80	Low
Average Mean	1.99	Low

Note: 4.50-5.00=Very High; 3.50-4.49=High; 2.50-3.49=Moderate; 1.50-2.49=Low; 1.00-1.49=Very Low

The highest-ranked item, "I am paying my employees' compensation on a timely basis" (mean = 2.29), suggests that while respondents make efforts to adhere to payment schedules, compliance is inconsistent. Similarly, "I am paying my employees from the minimum wage law" (mean = 2.15) indicates that most micro-businesses rarely pay wages that meet MWL requirements, possibly due to financial constraints or limited knowledge of legal obligations.

The lower-ranked items highlight additional gaps in compliance. "I provide my employees with certain benefits such as SSS, PhilHealth, HDMF, etc." (mean = 1.83) suggests that many micro-businesses do not offer mandated social security benefits, which may stem from financial limitations or lack of awareness of employer responsibilities.

Additionally, "My micro-business avails Minimum Wage Exemption" (mean = 1.87) and "I am enjoying Minimum Wage Exemption" (mean = 2.01) indicate that respondents are either unaware of or unable to effectively utilize exemptions available to them. The lowest-ranked item, "My micro-business is capacitated to pay at or above Minimum Wage" (mean = 1.80), suggests that financial viability remains a primary concern for micro-business owners.

These findings have significant implications for labor policies, employer education, and economic development initiatives. The low level of awareness and compliance with MWL provisions suggests that government agencies need to enhance their information dissemination efforts.

Simplified guidelines, workshops, and accessible online resources could help micro-business owners understand their responsibilities and rights concerning MWL exemptions.

From an economic standpoint, the inability of micro-businesses to pay minimum wages and provide employee benefits may contribute to job insecurity and workforce dissatisfaction.

Studies suggest that non-compliance with wage laws can lead to higher turnover rates and reduced productivity (Belman & Wolfson, 2014). Additionally, the inability

to avail of MWL exemptions could mean that micro-business owners are not optimizing financial relief options that could otherwise help them maintain compliance while sustaining their operations (Neumark & Wascher, 2008).

The findings of this study align with prior research highlighting the challenges small businesses face in complying with labor laws. According to Card and Krueger (2016), small businesses often struggled with minimum wage policies due to financial constraints and lack of awareness.

The results of this study reinforced this notion, demonstrating that many micro-businesses do not have the financial capacity to meet MWL requirements consistently.

Moreover, research by Neumark and Wascher (2008) emphasized that while minimum wage laws aim to protect workers, they can inadvertently create barriers for micro-businesses if not accompanied by targeted support programs.

The results suggest that micro-business owners may benefit from policy interventions that provide financial incentives or training on wage compliance.

Additionally, empirical studies indicate that formalization and social security benefits contribute to employee retention and overall business sustainability (Holzer, 2015). However, the study findings indicated that many micro-businesses do not provide mandated benefits, which may impact long-term workforce stability and legal compliance.

CREDIT DELIVERY

The results of this study indicate a generally low level of awareness and engagement among micro-business owners regarding credit delivery, as reflected in the overall mean score of 2.17, categorized as "Low" as shown in Table 3.3.

This suggests that micro-business owners do not frequently utilize or consider credit delivery options, potentially due to a lack of information, accessibility challenges, or concerns about repayment terms.

Table 3.3. Extent of Utilization of the Respondents on Credit Delivery

Credit Delivery	Mean	Interpretation
I consider a lower interest rate in availing Credit Delivery.	2.45	Low
My micro-business avails a credit delivery from the participating government.	2.30	Low
I consider a convenient means of payment in availing Credit Delivery.	2.15	Low
I consider ease of credit application in availing Credit Delivery.	2.00	Low
I consider longer payment terms in availing of Credit Delivery.	1.95	Low
Average Mean	2.17	Low

Note: 4.50-5.00=Very High; 3.50-4.49=High; 2.50-3.49=Moderate; 1.50-2.49=Low; 1.00-1.49=Very Low

The highest-ranked item, "I consider a lower interest rate in availing Credit Delivery" (mean = 2.45), suggests that while respondents recognize the importance of interest rates, their engagement with credit delivery remains limited. The second-ranked item, "My micro-business avails a credit delivery from the participating government" (mean = 2.30), implies that while some businesses access government credit programs, the overall participation rate is low.

On the other hand, lower-ranked items highlight additional barriers to credit uptake. "I consider convenient means of payment in availing Credit Delivery" (mean = 2.15) and "I consider ease of credit application in availing Credit Delivery" (mean = 2.00) indicate that respondents rarely prioritize these factors, which may suggest that perceived difficulties in application processes discourage participation. The lowest-ranked item, "I consider longer payment terms in availing Credit Delivery" (mean = 1.95), suggests that micro-business owners may not be fully aware of or do not prioritize repayment flexibility, which could influence their decision to seek credit.

These findings have significant implications for policymakers, financial institutions, and micro-business owners. The low level of awareness and engagement with credit delivery suggests the need for improved financial literacy programs and better access to information on available credit facilities. Government agencies and financial institutions should simplify credit application processes and increase outreach efforts to ensure that micro-business owners understand their options.

From an economic standpoint, limited access to credit can hinder business growth and sustainability. Research indicates that access to affordable credit is a crucial factor in the success of micro-businesses (Beck & Demirgüç-Kunt, 2006). The findings of this study suggested that despite the availability of government credit programs, low awareness and perceived

challenges prevent micro-business owners from taking full advantage of these opportunities.

The findings align with previous research emphasizing the barriers to credit access among small enterprises. Berger and Udell (2006) stated that small businesses face unique challenges in obtaining credit, including high collateral requirements, complex application procedures, and limited knowledge of financial products. The results of this study reinforced these findings by demonstrating that micro-business owners rarely consider credit accessibility factors when seeking financial assistance.

Moreover, financial inclusion studies suggest that simplifying credit delivery mechanisms and increasing awareness can significantly improve credit uptake among small businesses (Demirgüç-Kunt, Klapper, Singer, & Van Oudheusden, 2018). The results indicated a need for targeted financial education initiatives to bridge the knowledge gap and enhance micro-business owners' ability to access and manage credit effectively.

Furthermore, empirical studies highlighted the role of flexible repayment terms in promoting credit utilization among micro-enterprises (Banerjee & Duflo, 2014). However, this study's findings suggest that many micro-business owners do not prioritize repayment flexibility, which may indicate a lack of understanding regarding its potential benefits.

TECHNOLOGY TRANSFER, PRODUCTION AND MANAGEMENT TRAINING, AND MARKETING ASSISTANCE

The findings of the survey based on Table 3.4 indicate that micro-businesses rarely receive support in terms of technology transfer, production and management training, and marketing assistance from participating government agencies, as evidenced by the average mean score of 2.21.

Among the three areas, production and management training received the highest mean score (M = 2.55),

suggesting that while such training is more accessible compared to other forms of support, it is still not frequently availed by micro-business owners.

Conversely, marketing assistance received the lowest mean score (M = 2.00), implying that entrepreneurs find it particularly challenging to access resources that would enhance their market reach.

The low awareness and utilization of these support mechanisms suggest gaps in information dissemination, accessibility, and the perceived relevance of such programs to micro-business owners. Previous studies indicated that micro-businesses, particularly in developing economies, struggle to leverage government support due to bureaucratic hurdles, lack of awareness, and mismatched services (Sahban, Ramalu, & Syahpitra, 2020).

Table 3.4. Extent of Utilization of the Respondents on Technology Transfer, Production and Management Training, and Marketing Assistance

Technology Transfer, Production and Management Training, and Marketing Assistance	Mean	Interpretation
My micro-business avails production and management training from participating government agencies.	2.55	Low
My micro-business receives technology transfer from participating government agencies.	2.39	Low
Relevant training that I attended improved my skills in operating my micro business.	2.24	Low
The technology that I received helps improved the operation of my micro business.	2.08	Low
My micro-business receives marketing assistance from participating government agencies.	2.03	Low
The Marketing Assistance Program helps improve the marketability of my products or services.	2.00	Low
Average Mean	2.21	Low

Note: 4.50-5.00=Very High; 3.50-4.49=High; 2.50-3.49=Moderate; 1.50-2.49=Low; 1.00-1.49=Very Low

The infrequent reception of technology transfer (M = 2.39) and its limited impact on business operations (M = 2.08) underscore the need for better-targeted and more practical technological interventions that align with the specific needs of micro-businesses (Ndou, 2022).

Moreover, while training programs aim to enhance business competencies, the data suggest that their efficacy is questionable, as evidenced by the mean score of 2.24 for skills improvement. This aligns with the findings of Baporikar (2020), who noted that generic training programs often fail to address the unique challenges faced by micro-entrepreneurs, leading to minimal impact on business growth.

The least utilized form of assistance—marketing support (M = 2.00)—is a critical concern, given that market access is a fundamental challenge for micro-businesses. Studies suggest that government-initiated marketing programs often fail due to inadequate promotion, lack of practical application, and weak coordination with private sector partners (Afolabi, 2021). This could explain why micro-business owners rarely benefit from such initiatives, despite their potential to significantly enhance market competitiveness.

The findings have several implications for policymakers, government agencies, and micro-business owners. First, the limited access to technology transfer programs suggests a need for improved outreach and communication strategies to ensure micro-businesses are well-informed about available opportunities. Government agencies should consider more proactive engagement strategies, such as localized training sessions and business incubator partnerships, to enhance participation rates (Mazzarol, 2019).

Second, the marginal impact of training programs indicates a need for curriculum customization to better address industry-specific challenges. Training modules should incorporate hands-on learning, mentorship programs, and post-training support mechanisms to enhance effectiveness (Ratten, 2021).

Finally, the lack of effective marketing assistance suggests that micro-businesses require more robust support in branding, digital marketing, and product placement strategies. Collaborations with private sector actors, such as e-commerce platforms and marketing firms, could bridge this gap (Kotler & Keller, 2020). Additionally, government-led initiatives should emphasize capacity building in online marketing, which

has been identified as a critical driver of small business success in the digital age (Chatterjee & Kar, 2022).

The findings of this study align with existing literature that highlights the challenges faced by micro-businesses in accessing government support. Several scholars emphasize the crucial role of institutional support in fostering entrepreneurial growth but also recognize that inefficiencies in policy implementation often limit the benefits that small enterprises can derive from such programs (Bruton, Ahlstrom, & Si, 2020).

Moreover, previous research suggests that the success of technology transfer and business training initiatives depends on the adaptability of such programs to the local business environment (Acs, Estrin, Mickiewicz, & Szerb, 2018). The findings of this study reinforce this perspective, as micro-business owners reported minimal improvement in their operations despite participation in training sessions and technology adoption initiatives.

Lastly, marketing remains a persistent challenge for micro-businesses, particularly in developing economies. Studies highlight that traditional marketing assistance programs are often designed with larger enterprises in mind, making them less effective for small-scale entrepreneurs (Philip, 2022). This further underscored the need for tailored, scalable marketing strategies that cater specifically to the unique constraints of micro-businesses.

4. INCENTIVES AND BENEFITS ARE UTILIZED BY BMBE TO IMPROVE SALES AND CAPITAL

Barangay Micro Business Enterprises (BMBEs) are vital contributors to economic growth, providing employment and fostering innovation. This article explores various strategies employed by BMBEs to enhance their operations and achieve sustainable growth, drawing on the lived experiences of entrepreneurs participating in various support programs. The narratives highlight the impact of government initiatives and the resourcefulness of business owners in navigating the challenges of the business landscape. The following themes emerged from the participant narratives:

Barangay Micro Business Enterprises (BMBEs) play a crucial role in economic development, and their growth is vital for job creation and innovation. This article examines the diverse strategies employed by BMBEs to achieve growth and sustainability, drawing upon the experiences of participants in a recent study. Their

narratives highlight the importance of access to capital, skills development, effective marketing, efficient financial management, regulatory compliance, networking opportunities, and a focus on product development and market research. Crucially, the role of government initiatives in empowering BMBEs to thrive is also explored.

Reinvestment and Expansion: Fueling Growth

A key aspect of business growth is the ability to reinvest earnings and expand operations. Access to capital and utilizing financial benefits are essential for this process. Participant 1 emphasized the significance of tax exemptions, stating, "Piggagamit ko an diyo na income tax exemptions para makadagdag ulit sa kapital ko para reinvest in their businesses," (I used the tax exemption to add to my capital and to reinvest in business) demonstrating how these exemptions provide additional capital for reinvestment. Similarly, Participant 2 noted that wage exemptions helped improve operational efficiency "May diyo man na danon kay diyo na damot sa wage exemptions naka bulig sa to mapapaghan an operations" (It also help because the wage exemptions contribute to improving operations). Tangible investments, facilitated by loans, were also highlighted. Participant 3 explained, "Nakabakal san mga bag o na equipment or inventory pagnakaloan," (I was able to purchase new equipment when I received a loan) while Participant 4 added, "Nakakabili ng bagong gadyet para mapakusog pa so negosyo," (I can buy new gadgets to further strengthen my business) showcasing how access to technology enhances business productivity. Furthermore, securing loans and grants is important to boost capital investment needs. Participant 10 stated, "Mas daghan an loan na nadako man an capital," (The bigger the loan, the larger the capital) and Participant 11 added, "Nabibigyan ng grants para magamit sa fund business expansion projects." (Grants are provided to fund business expansion projects) In essence, with the right support, "Posible na magdako pa an Negosyo" (It is possible for the business to grow even bigger) (Participant 14).

Training and Skill Improvement: Building Business Acumen

Beyond financial resources, skills development is critical for effective business management. Training programs have a positive impact on business operations, as observed by Participant 5: "Medyo nakapapayos ang takbo ng Negosyo dahil sa training programs." (The business operations have improved somewhat due to training programs) Furthermore, training programs

directly improve individual capabilities, as noted by Participant 6: "Nag improve an business management skills ko." (My business management skills have improved) Government support, particularly from the Department of Trade and Industry (DTI), plays a vital role in strengthening businesses. Participant 13 acknowledged the active role of the DTI, stating, "An DTI plans nagtatrabang man para sa pagpapakusog san negosyo." (The DTI programs also help strengthen the business)

Marketing and Customer Reach: Expanding Horizons

Expanding customer reach is essential for business growth. Marketing support plays a crucial role in customer acquisition, as highlighted by Participant 7: "May diyo na danon para marketing support para daghan an customer ko." (It also helps with marketing support to attract more customers) Interestingly, tax exemptions can indirectly impact revenue, with Participant 8 noting, "Nagdaghan an dagdag na kita hali sa local tax exemptions." (The additional income increased due to local tax exemptions) MSMEs also adopt diverse marketing channels to reach customers, including attending trade fairs and utilizing online selling platforms. Participant 17 stated, "Naka attend na ko sa mga trade fairs, saudan an baratilyo para mapimod ko man an mga products ko," (I were able to attend to trade fair and bargain sales to promote my products) while Participant 18 added, "Nakagamit na ako online selling." (I were able to use online selling platform)

Cost Reduction and Financial Management: Ensuring Profitability

Efficient financial management is crucial for profitability. Cost-reduction strategies play a significant role in this. Participant 9 emphasized the impact of reduced fees on overall operating costs, stating, "Diyo na bayadan fees diyo man an overall operating costs." (A little fees also reduce to the overall operating costs) Similarly, Participant 19 simply stated, "Nakatipid sa mga gastuson," (Saved on expenses) highlighting the effectiveness of cost reduction.

Compliance and Legal Assistance: Navigating the Regulatory Landscape

Navigating the legal and regulatory landscape can be challenging for MSMEs. Assistance in ensuring compliance is therefore highly valued. Participant 20 stated, "Na dadanonan ako sa mga papeles para deri ako mag penalty," (I am guided with the necessary paperwork to avoid penalties) demonstrating the value

of support in navigating paperwork and avoiding penalties.

Networking and Connections: Opening New Opportunities

Building connections and expanding networks can open new opportunities for MSMEs. BMBE (Barangay Micro Business Enterprise) programs can positively impact networking and customer acquisition, as noted by Participant 12: "Nagkakmay-on connections dahil sa BMBE programs nadaghan man a customer ko." (I have gained connections through BMBE programs, which have also increase my customers)

Product Development and Market Research: Meeting Customer Needs

Understanding customer needs and developing relevant products are crucial for business success. Support in improving product quality is beneficial, as highlighted by Participant 15: "Nadanonan ako para mas magayon mga product na in titinda ko." (I received guidance to improve the quality of my products) Additionally, market research is essential for accessing government support, as emphasized by Participant 16: "Naaraman ko an importa-sya san market research para may ayuda sa gobyeno." (I learned the importance of market research to access government support)

The narratives collectively illustrate the diverse strategies and challenges faced by BMBEs striving for growth and sustainability. Access to capital, skills development, effective marketing, efficient financial management, regulatory compliance, networking, and a focus on product development and market research all contribute to the success of these enterprises. Government initiatives, such as tax exemptions, training programs, and access to loans and grants, play a vital role in empowering MSMEs. Future research could explore the long-term impact of these interventions and identify additional strategies for supporting the growth of BMBEs. By fostering a supportive ecosystem, we can unlock the full potential of BMBEs to drive economic development and create thriving communities.

5. Proposed business framework to assist the bmbe in availing the incentives that have bearing with bmbe.

Comprehensive business framework for effective utilization of bmbe incentives and benefits.

i. Executive Summary

This business framework "aims to enhance the utilization of incentives and benefits provided under the Barangay Micro Business Enterprises (BMBE) Act. The

study findings indicate a low level of awareness among micro-business owners regarding tax exemptions, minimum wage law exemptions, credit delivery, technology transfer, and marketing assistance”. The plan focuses on strategic interventions to bridge knowledge gaps, simplify access to benefits, and foster business growth.

ii. Business Overview Business Name

BMBE Support and Growth Initiative

Business Type: Micro-Business Development

Program

Mission Statement: To empower micro-business owners by increasing their awareness and utilization of BMBE incentives, improving financial management, and fostering business sustainability.

Objectives:

1. Increase awareness and accessibility of BMBE incentives.
2. Provide financial literacy and tax compliance training.
3. Facilitate access to credit and government support programs.
4. Enhance micro-business marketing strategies through digital and traditional channels.

iii. Situational Analysis

The study highlights that micro-business owners rarely utilize tax exemptions, credit delivery options, and government support due to low awareness and bureaucratic complexities. Many businesses struggle with compliance, financial sustainability, and market access.

iv. Strategic Plan

1. Tax Exemptions Utilization Strategy

- Educational Workshops: Conduct free training sessions on tax filing procedures, deadlines, and benefits.
- Tax Consultation Assistance: Partner with government agencies to offer free consultation services.
- Simplified Tax Guide: Develop an easy-to-understand tax compliance handbook for micro-businesses.

2. Wage Law Exemption Strategy

- Awareness Campaigns: Distribute informational materials on MWL exemptions through local business associations.

- Financial Assistance Programs: Develop subsidy programs to help businesses meet labor costs while remaining compliant.
- Employer Training Programs: Conduct workshops on payroll management and employee benefits to ensure compliance with labor laws.

3. Credit Access and Financial Management

- Microfinance Programs: Partner with banks and cooperatives to offer low-interest micro-loans.
- Loan Application Assistance: Establish a help desk for guiding business owners in securing credit from government programs.
- Financial Literacy Training: Offer workshops on budgeting, record-keeping, and loan management.

4.

Technology Transfer, Training, and Marketing Assistance

- Production and Management Training: Organize government-backed training programs on efficient business operations.
- Technology Adoption Support: Facilitate access to digital tools, e-commerce platforms, and business automation systems.
- Marketing Enhancement Programs: Provide digital marketing training, including social media advertising and branding strategies.
- Networking and Market Expansion: Organize trade fairs and online marketplaces to connect micro-businesses with consumers and distributors.

v. Implementation Timeline

- Short-Term (0-6 months): Awareness campaigns, initial training sessions, and tax consultation services.
- Medium-Term (6-12 months): Expansion of financial support programs, increased marketing assistance, and technology transfer initiatives.
- Long-Term (12+ months): Establishment of a micro-business resource center for continuous training and consultation.

vi. Budget and Funding Sources

- Government Grants: Apply for funding from DTI, LGUs, and other support programs.
- Private Partnerships: Collaborate with banks and NGOs to provide financial support.
- Revenue Generation: Offer premium consultation services and business mentorship programs for sustainability.

vii. Performance Metrics and Evaluation

- Increase in Tax Compliance: Measure the percentage increase in businesses availing tax exemptions.
- Growth in Credit Utilization: Track the number of businesses accessing financial support.
- Business Development Success: Monitor revenue growth, employee retention, and market reach.
- Technology Adoption Rate: Assess the number of businesses implementing new technologies.

viii. Monitoring and Evaluation

The successful implementation of this plan will bridge the gap between policy incentives and micro-business growth. By enhancing awareness, streamlining access to resources, and providing strategic business support, micro-business owners can maximize the benefits of the BMBE program, leading to sustainable business development and economic growth.

V. CONCLUSIONS

Based on the summary of findings, the following conclusions were drawn: (1) The BMBEs in Gubat, Sorsogon, are engaged in service or merchandising businesses, with minimal operating start-up capital and being relatively new ventures. (2) The BMBE owners show a generally low level of awareness regarding available incentives and benefits, leading to underutilization of support mechanisms. (3) Micro-businesses rarely receive support in the services and benefits of BMBE having a low level of utilizations. (4) BMBEs employ diverse strategies and face various challenges in their pursuit of growth and sustainability, with government initiatives playing a crucial role in their empowerment. (5) A comprehensive business framework was proposed to enhance the utilization of incentives and benefits provided under the BMBE Act.

VI. RECOMMENDATIONS

The researcher humbly offers the following recommendations based on the findings and conclusions made: (1) Encourage BMBEs for diversification into manufacturing by providing targeted support and incentives to reduce capital investment and operational complexity. (2) Implement comprehensive awareness campaigns and workshops to educate BMBE owners about the available incentives and benefits. (3) Increase the availability and accessibility of income tax exemptions, minimum wage law, credit delivery and technology transfer, training programs, and marketing assistance through partnerships with local government units and educational institutions. (4) Strengthen

government initiatives by providing more tailored support and resources to address the specific needs and challenges of BMBEs. (5) Regularly review and update the business framework to ensure its relevance and effective utilization of BMBE incentives and benefits.

REFERENCES

- [1] Acs, Z. J., Estrin, S., Mickiewicz, T., & Szerb, L. (2018). Entrepreneurship, institutional economics, and economic growth: An ecosystem perspective. *Small Business Economics*, 51(2), 501-514. [Adisa/publication/271530384_The_characteristics_and_challenges_of_small_businesses_in_Africa_An_exploratory_study_of_Nigerian_small_business_owners/links/54cf33fc0cf24601c09309b3/The-characteristics-and-challenge](https://doi.org/10.1007/s11187-017-9834-4)
- [2] Afolabi, A. (2021). The role of government support in enhancing micro-business growth: A developing economy perspective. *Journal of Entrepreneurship and Public Policy*, 10(3), 345-362.
- [3] Akingunola, R. O., Olowofela, E. O., & Yunusa, L. (2018, July 2). Impact of Microfinance Banks on Micro and Small Enterprises in Ogun State, Nigeria. Retrieved from Binus Journal Publishing: <https://journal.binus.ac.id/index.php/BBR/article/view/4253>
- [4] Aldeguer, C. (2015, September 2). Extensive Implementation of the BMBE Law: An Assessment Across Metro Manila. Retrieved from Social Science Research Network (SSRN): <https://ssrn.com/abstract=2715303>
- [5] Alera, A., Evangelista, J. H., & Cipriano, J. C. (2022, June). Impact of Micro Business Enterprise Act on the Growth and Development of Micro-Entrepreneurs in the Province of Bataan, Philippines. Retrieved from INTERNATIONAL JOURNAL OF APPLIED RESEARCH IN TOURISM AND HOSPITALITY: <https://www.ijarht.com/index.php/ijarht/article/view/101186/s13731-020-00127-3>
- [6] Alm, J., Cherry, T., Jones, M., & McKee, M. (2012). Tax compliance and taxpayer behavior: New experimental evidence. *National Tax Journal*, 65(1), 133-158.
- [7] Asem Alkahtani, N. N. (2020, August 27). Does the government support enhance the relationship between networking structure and sustainable competitive performance among SMEs? Retrieved from SpringerLink: <https://link.springer.com/article/10.1186/s13731-020-00127-3>

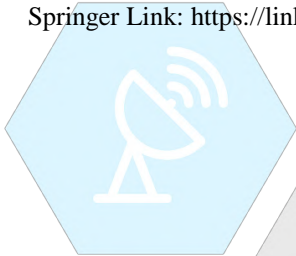
- [8] Ayyagari, M., Beck, T., & Demirgüç-Kunt, A. (2007). Small and medium enterprises across the globe. *Small Business Economics*, 29(4), 415-434.
- [9] Ayyagari, M., Beck, T., & Demirgüç-Kunt, A. (2007). Small and medium enterprises across the globe. *Small Business Economics*, 29(4), 415-434.
- [10] Banerjee, A., & Duflo, E. (2014). Poor economics: A radical rethinking of the way to fight global poverty. *PublicAffairs*.
- [11] Baporikar, N. (2020). Enhancing micro-business sustainability through skill development programs. *International Journal of Business and Management*, 15(5), 112-125.
- [12] Barnhart, N. (2021, May 3). What Is Capital? Definition, Types, and Examples. Retrieved from Pareto LABS: <https://www.paretolabs.com/what-is-capital-definition-types-andexamples/>
- [13] Bauer, S. M., & Flagg, J. L. (2010). Technology Transfer and Technology Transfer Intermediaries. Retrieved from U.S. Department of Education:
- [14] Baumol, W. J. (1967). In *Business Behaviour, Value and Growth* (p. 164). New York: The Macmillan Company.
- [15] Beck, T., & Demirgüç-Kunt, A. (2006). Small and medium-size enterprises: Access to finance as a growth constraint. *Journal of Banking & Finance*, 30(11), 2931-2943.
- [16] Beck, T., Demirgüç-Kunt, A., & Levine, R. (2005). SMEs, growth, and poverty: Cross-country evidence. *Journal of Economic Growth*, 10(3), 199-229.
- [17] Beck, T., Demirgüç-Kunt, A., & Levine, R. (2005). SMEs, growth, and poverty: Cross-country evidence. *Journal of Economic Growth*, 10(3), 199-229.
- [18] Belman, D., & Wolfson, P. (2014). What does the minimum wage do? W.E. Upjohn Institute for Employment Research.
- [19] Berger, A. N., & Udell, G. F. (2006). A more complete conceptual framework for SME finance. *Journal of Banking & Finance*, 30(11), 2945-2966.
- [20] Berja, J. M. (2021). MICRO BUSINESS ENTERPRISES AWARENESS ON GOVERNMENT SUPPORT AND CHALLENGES ENCOUNTERED: BASIS FOR SUSTAINABLE BUSINESS MODEL. *Global Scientific Journal*, 1717- 1742.
- [21] Bird, R., & Zolt, E. (2015). Tax policy in emerging markets. *Journal of Taxation and Development*, 7(2), 123-145.
- [22] Boulding, K. E., Kleinsorge, P. L., & Schmitt, H. O. (2023, March 17). Wage and Salary.
- [23] Bruton, G. D., Ahlstrom, D., & Si, S. (2015). Entrepreneurship, poverty, and Asia: Moving beyond subsistence entrepreneurship. *Asia Pacific Journal of Management*, 32(1), 1-22.
- [24] Bruton, G. D., Ahlstrom, D., & Si, S. (2015). Entrepreneurship, poverty, and Asia: Moving beyond subsistence entrepreneurship. *Asia Pacific Journal of Management*, 32(1), 1-22.
- [25] Bruton, G. D., Ahlstrom, D., & Si, S. (2020). Entrepreneurship, innovation, and institutional support: Theory and practice. *Academy of Management Perspectives*, 34(3), 345-364. BUSINESS AND SOCIAL SCIENCE: <https://www.ssbfn.com>
- [26] Card, D., & Krueger, A. B. (2016). *Myth and measurement: The new economics of the minimum wage*. Princeton University Press.
- [27] Carpio-Aldeguer, C. P. (2015). Extensive Implementation of The BMBE Law: An Assessment Across Metro Manila. *Research and Analysis Journals*, 299-315.
- [28] Chatterjee, S., & Kar, A. K. (2022). Digital transformation in small businesses: The role of social media marketing. *Journal of Business Research*, 138, 415-428.
- [29] Chen, D., & Mintz, J. (2011, May). *Small Business Taxation: Revamping Incentives to*
- [30] Chukwumerije, T., & John, A. O. (2009). THE IMPACT OF TAX INCENTIVES ON THE PERFORMANCE OF SMALL-SCALE ENTERPRISES. Retrieved from [https://www.researchgate.net/profile/Akinyomi John/publication/236853385_THE_IMPACT_OF_TAX_INCENTIVES_ON_THE_PEFORMANCE_OF_SMALLSCALE_ENTERPRISES/links/0c960519743933e7ec000000/THE-IMPACT-OF-TAXINCENTIVES-ON-THE-PERFORMANCE-OF-SMALL-SCALE-ENTERPRISES](https://www.researchgate.net/profile/Akinyomi_John/publication/236853385_THE_IMPACT_OF_TAX_INCENTIVES_ON_THE_PEFORMANCE_OF_SMALLSCALE_ENTERPRISES/links/0c960519743933e7ec000000/THE-IMPACT-OF-TAXINCENTIVES-ON-THE-PERFORMANCE-OF-SMALL-SCALE-ENTERPRISES)
- [31] Churchill, N. C., & Lewis, V. L. (1983). The five stages of small business growth. *Harvard Business Review*, 61(3), 30-50.

- [32] Connelly, L. (2014, April). Ethical considerations in research studies. Retrieved from Research Gate: <https://www.researchgate.net/>
- [33] Corpuz, B. M., & Bool, N. (2021, March 21). Working capital management practices and sustainability of Barangay Micro Business Enterprises (BMBEs) in Ilocos Norte,
- [34] Cruz, A. A., Dakiwag, D., Gamet, L., Gozum, S., Macapallag, M., & Verbo, C. (2019).
- [35] Dammert, A. C., & Nansamba, A. (2019). Skills Training and Business Outcomes: Experimental Evidence from Liberia. Retrieved from Science Direct: <https://www.sciencedirect.com/>
- [36] De Guzman, M. (2018). The role of micro-businesses in local economic development: Challenges and opportunities. *Philippine Journal of Business and Economics*, 25(2), 34-50.
- [37] Demirgüç-Kunt, A., Klapper, L., Singer, D., & Van Oudheusden, P. (2018). *The Global Findex Database 2017: Measuring financial inclusion and the fintech revolution*. The World Bank.
- [38] Department of Trade and Industry. (2021). *Micro, small, and medium enterprise development roadmap 2021-2025*. https://www.dti.gov.ph/DETERMINANTS_OF_SMALL_AND_MEDIUM_ENTERPRISES_FAILURE_IN_ZIMBABWE_A_CASE_STUDY_OF_BINDURA. Retrieved from ResearchGate:
- [39] Deyganto, K. O. (2022, January 28). The effect of tax incentives practices on the sustainability of micro, small and medium enterprises in Ethiopia during the outbreak of corona virus pandemic. Retrieved from Springer Open: <https://innovationentrepreneurship.springeropen.com>
- [40] Encourage Growth. Retrieved from SPP Research Papers: <https://ideas.repec.org> Exampes. Retrieved from Scribbr: <https://www.scribbr.com/>
- [41] Fatoki, O. (2014). The causes of the failure of new small and medium enterprises in South Africa. *Mediterranean Journal of Social Sciences*, 5(20), 922-927.
- [42] Figueroa, D. S. (2018). Cases of Micro Enterprises on the Incentives and Benefits of the Barangay Micro Business Enterprises Act of 2002. Retrieved from Review of Integrative Business and Economics Research.
- [43] Ganesh, M., & Indradevi, R. (2015, January). Importance and Effectiveness of Training and Development. Retrieved from *Mediterranean Journal of Social Sciences*:
- [44] Garambas, C. D., & Pinos-an, J. B. (2021, June 28). Awareness and Perceived Implementation of Barangay Micro-Business Enterprise Act of 2002 (Republic Act 9178) in La Trinidad, Benguet, Philippines. Retrieved from *Benguet State University Journals*:
- [45] Ghosh, S. (2017). Small business and entrepreneurship: Emerging issues and challenges. *Journal of Small Business & Entrepreneurship*, 29(1), 1-15.
- [46] Gonzales, R., Santos, P., & Cruz, J. (2020). Micro-enterprise dynamics in rural communities: An assessment of sustainability and growth factors. *Journal of Small Business Research*, 18(3), 112-128.
- [47] GOVPH. (n.d.). TECHNOLOGY TRANSFER IN COUNTRIES IN TRANSITION. Retrieved from World Intellectual Property Organization: <https://www.wipo.int/portal/en/index.html>
- [48] Grozdí, V., Mari, B., Radiši, M., Šebestová, J., & Lis, M. (2020, February 24). Capital Investments and Manufacturing Firms' Performance: Panel-Data Analysis. Retrieved from MDPI Open Access Journals: <https://www.mdpi.com>
- [49] Gurley, J. G. (1960). *Money in a Theory of Finance*. Washington: Brookings Institution.
- [50] Hamid, N. A. (2015, May). TAX INCENTIVES AND MALAYSIAN SMEs PERFORMANCE: A MIXED METHOD APPROACH. Retrieved from CORE:
- [51] Hampel-Milagrosa, A. (2014). Micro and small enterprise upgrading in the Philippines: the role of the entrepreneur, enterprise, networks and business environment. Retrieved from Semantic Scholar: <https://www.semanticscholar.org/>
- [52] Herpacio, C. L., & Hidalgo, H. (2018, December). Impact Assessment of State Assistance Program to Agri-based Micro, Small and Medium Enterprises in the Philippines.
- [53] Hidalgo, B., & Goodman, M. (2012, December 05). Multivariate or Multivariable Regression?
- [54] Hidalgo/publication/330344067_Impact_Assessment_of_State_Assistance_Program_to_Agribased_Micro_Small_and_Medium_Enterprises_in_the_P

- hilippines/links/5c48201492851
c22a389b118/Impact-Assessment-of-State-Assistan
- [55] Indra, A. Z., Wibowo, B., Sembiring, S. O., & Metalia, M. (2020, October 1). The Effect of Profitability and Growth on Micro Small and Medium Enterprise (MSME) Capital Structure with The Size of the Company as a Control Variable.
- [56] Iskandar, D. (2021, September 5). THE EFFECT OF PROFITABILITY AND SALES GROWTH ON COMPANY VALUE MODERATED BY LEVERAGE. Retrieved from International Journal of Management Studies and Social Science Research:
- [57] John, A. O. (2011, January). THE IMPACT OF TAX INCENTIVES ON THE PERFORMANCE OF SMALL-SCALE ENTERPRISES. Retrieved from ResearchGate:https://www.researchgate.net/publication/236853385_THE_IMPACT_OF_TAX_INCENTIVES_ON_THE_PERFORMANCE_OF_SMALL-SCALE_ENTERPRISES
- [58] Joseph, A., & Parambil, G. D. (2019, January). EFFECTIVENESS OF MARKETING
- [59] Juniarti, V. H. (2014, January 14). PENGARUH FAMILY CONTROL, SIZE, SALES GROWTH, DAN LEVERAGE TERHADAP PROFITABILITAS DAN NILAI PERUSAHAAN PADA SEKTOR PERDAGANGAN, JASA, DAN INVESTASI. Retrieved from Garba Rujukan Digital:
<https://garuda.kemdikbud.go.id/documents/detail/1242807>
- [60] Kenton, W. (2023, February 19). Capital Growth: Measuring it, Investment Types. Retrieved from Investopedia: <https://www.investopedia.com/>
- [61] Korb, K. A. (2013). Calculating Descriptive Statistics. Retrieved from Conducting Educational Research: <http://korbedpsych.com/>
- [62] Kotler, P., & Keller, K. L. (2020). Marketing management (16th ed.). Pearson.
- [63] Lerch, S. (2009, January). Impacts of Tax Exemptions: An Overview. Retrieved from http://www.wsipp.wa.gov/ReportFile/858/Wsipp_Impacts-of-Tax-Exemptions-AnOverview_Full-Report.pdf
- [64] LEVERAGE AND PROFITABILITY OF MICRO, SMALL AND MEDIUM ENTERPRISES
- [65] Ley, E., Stotsky, J. G., & Zee, H. H. (2002, September). Tax Incentives for Business Investment: A Primer for Policy Makers in Developing Countries. Retrieved from ScienceDirect:
- [66] Leza, T., Rajan, S., & Kuma, B. (2016, December). Determinants of employment growth of micro and small enterprises in Wolaita zone, Ethiopia. Retrieved from International Journal of Current Research: <https://www.journalcra.com/>
- [67] Madamba, J. A. (2010). Microenterprise sustainability: A Philippine Perspective. Retrieved from University Knowledge Digital Repository: <https://www.ukdr.uplb.edu.ph/journalarticles/2524/>
- [68] Manipol, V. S. (2023). Effectiveness of Microenterprise Law to Registered Microenterprises: Quantitative Assessment in The Philippines. Retrieved from International Journal of Multidisciplinary: Applied Business and Education Research:
- [69] Mapote, M. C., Mostoles, S. T., & Collado, T. S. (2012). Microfinance as a Vital Tool for Micro-Enterprise. Retrieved from Philippine E-Journals: <https://ejournals.ph/>
- [70] Margaretha, F., & Supartika, N. (2016, February). Factors Affecting Profitability of Small Medium Enterprises (SMEs) Firm Listed in Indonesia Stock Exchange. Retrieved from ResearchGate: <https://www.researchgate.net>
- [71] Martinez, L. (2019). Rural entrepreneurship: Challenges and innovations in developing economies. Asian Journal of Entrepreneurship, 12(1), 45-60.
- [72] Mayanja, S. N. (2020, July 18). Status of Profitability of MSMEs in a Developing Country:
- [73] Mazzarol, T. (2014). Growing and sustaining entrepreneurial ecosystems: What they are and the role of government policy. Small Enterprise Research, 21(1), 34-50.
- [74] Mbugua, J. K., Mbugua, S. N., Mara, M., Wangoi, M., Ogada, J. O., & Kariuki, J. (2013). Factors Affecting the Growth of Micro and Small Enterprises: A Case of Tailoring and Dressmaking Enterprises in Eldoret. Retrieved from Semantic Scholar:

- [75] McCombes, S. (2020, October 10). Descriptive Research: Definition, Types, Methods &
- [76] Morrison, A., Breen, J. P., & Ali, S. (2003, October). Small Business Growth: Intention, Ability, and Opportunity. Retrieved from Research Gate: <https://www.researchgate.net/>
- [77] Mostiero, J. T. (2022, July 15). Working Capital Management Practices of Microenterprises in Lipa City as Predictors of Business Sustainability. Retrieved from International Journal of Research Publications (IJRP): <https://www.ijrp.org/>
- [78] Mudavanhu, V., Bindu, S., Muchabaiwa, L., & Chigusiwa, L. (2011, September).
- [79] Ndou, V. (2022). Technological innovation and micro-business performance: A review of best practices. *Technology in Society*, 68, 101872.
- [80] Neumark, D., & Wascher, W. (2008). Minimum wages. MIT Press
- [81] Nicodemus, T., & Egwakhe, J. A. (2019). Technology Transfer and Competitive Advantage: The Managers' Perspective. Retrieved from INTERNATIONAL KNOWLEDGE SHARING PLATFORM: <https://www.iiste.org/>
- [82] Obafemi, T. O., Araoye, F. E., & Ajayi, E. O. (2021, May). Impact of tax incentives on the growth of small and medium scale enterprises in Kwara state. Retrieved from International Journal of Multidisciplinary Research and Growth Evaluation:
- [83] OECD. (2019). Tax Administration 2019: Comparative Information on OECD and Other Advanced and Emerging Economies. Paris: OECD Publishing.
- [84] Osei, A., Forkouh, S. K., & Aboagye, O. M. (2016, August). The Impact of Institutional Support in SMEs Marketing, and Growth—A Case Study of Retail SMEs in Ghana. Retrieved from ResearchGate:
- [85] Oukhay, B. (2021, August). THE IMPACT OF DIGITAL MARKETING AND ARTIFICIAL INTELLIGENCE ON THE SALES GROWTH OF MOROCCAN COMPANIES. Retrieved from ResearchGate: PERUSAHAAN, PROFITABILITAS, LEVERAGE, SALES GROWTH DAN KEBIJAKAN DIVIDEN TERHADAP NILAI PERUSAHAAN PADA INDUSTRI MAKANAN DAN MINUMAN YANG TERDAFTAR DI BURSA EFEK INDONESIA TAHUN 2010 – 2015.
- [86] Philip, D. (2022). Overcoming barriers to marketing assistance in micro-enterprises. *Journal of Small Business Strategy*, 32(1), 78-95. Philippines. Retrieved from INTERNATIONAL JOURNAL OF RESEARCH IN Popa, A.-E., & Ciobanu, R. (2014, July). The Financial factors that Influence the Profitability of SMEs.
- [87] Prijadi, R., & Desiana, P. (2017, January). Factors Affecting the Profitability and Growth of Small & Medium Enterprises (SMEs) in Indonesia. Retrieved from Int. Journal of Economics and Management: <http://www.econ.upm.edu.my/ijem>
- [88] Rakasiwi, F. W., Pranaditya, A., & Andini, R. (2017). PENGARUH EPS, UKURAN
- [89] Rañola, D., & Villanueva, F. (2022). Sustaining micro-business enterprises in the Philippines: A policy perspective. *Philippine Economic Review*, 30(1), 56-72.
- [90] Rañola, D., & Villanueva, F. (2022). Sustaining micro-business enterprises in the Philippines: A policy perspective. *Philippine Economic Review*, 30(1), 56-72.
- [91] Rapisura, V. (2019, January 19). Challenges microenterprises face in the Philippines. Retrieved from Vince Rapisura: <https://vincerapisura.com/challenges-microenterprises-face-in-thephilippines/>
- [92] Ratnawati, K. (2020, October 30). The Impact of Financial Inclusion on Economic Growth, Poverty, Income Inequality, and Financial Stability in Asia. Retrieved KoreaScience: <https://koreascience.kr/article/JAKO202029062616247.page> Saad, N. (2014). Tax knowledge, tax complexity, and tax compliance: Taxpayers' view. *Procedia - Social and Behavioral Sciences*, 109, 1069-1075.
- [93] Sahban, M. A., Ramalu, S. S., & Syahputra, H. (2021). Government support and micro-business performance: An empirical study. *International Journal of Entrepreneurial Behavior & Research*, 27(4), 887-905
- [94] Sánchez, A. A., Aragón, I. B., & Valle, R. S. (2010, May 17). Effects of training on business results. Retrieved from Taylor & Francis Online:
- [95] Shane, S. (2003). A general theory of entrepreneurship: The individual-opportunity nexus. Edward Elgar Publishing.

- [96] Slemrod, J. (2019). Tax compliance and enforcement. *Journal of Economic Literature*, 57(4), 904-954.
- [97] Soriano, J., & Castillo, B. (2020). The evolving landscape of micro-enterprises in the Philippines: Trends and implications. *Journal of Economic Policy*, 15(2), 89-102.
- [98] Storey, D. J. (1994). *Understanding the small business sector*. Routledge. Technology Application and Promotion Institute. (2010, July 8). Retrieved from Department of Science and Technology: <http://tapi.dost.gov.ph/programs-and-services>
- [99] THEINVESTOPEDIATEAM. (2022, September 21). Keynesian Economics Theory: Definition and How It's Used. Retrieved from Investopedia: <https://www.investopedia.com/>
- [100] Tijani, A.A., & Ogundeko, T. S. (2020, October). TAX INCENTIVES AND GROWTH OF SMALL AND MEDIUM SIZED ENTERPRISES IN LAGOS STATE. Retrieved from ResearchGate: <https://www.researchgate.net>
- Twesige, D., Gasheja, F., & Barayendema, J. (2019). Tax Incentives and Growth of SMEs in Rwanda: A Case Study of Small and Medium Enterprises in Nyarugenge District. Retrieved from Springer Link: <https://link.springer.com>



UIJRT

ISSN: 2582-6832