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## Research Article

### Effectiveness of Microenterprise Law to Registered Microenterprises: Quantitative Assessment in The Philippines

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## ABSTRACT

Microenterprises as seabeds of a promising business tycoon, like how the world of entrepreneurship should be seen - call a lot of attention and cultivation. In 2002, the Philippine government passed a law granting incentives and benefits to registered microenterprises. However, since then, no thorough evaluation has been done to create a precise quantification and result. The study's purpose is to determine the effectiveness of Barangay Micro-business Enterprise Law on microenterprises and to use it as a global reference concerning the effectiveness of similar government law as practiced by the rest of the world. Descriptive-correlational method of research utilizing quantitative data was used that led to the conclusion that BMBE Law was generally effective to microenterprises with a weighted mean of 4.1769; this means that the law has been effective and useful to the beneficiaries making its two incentives (out of 5) very effective.

**Keywords:** Asia, Business and Management, Descriptive-correlational design, Income tax, Microenterprises, Microenterprise law, Philippines, Wage law

## Introduction

Microbusinesses undoubtedly play a significant part in the overall growth of any given economy. Microbusinesses, which make up a significant fraction of the business sector, contribute to lowering unemployment and poverty rates in a particular nation. Even though there is still a global crisis and dilemma surrounding the desire to increase the number of microenterprises, some researchers have noted that this goal can be achieved by making one's business venture more approachable for the world

of finance, making microfinancing to be equally important in the drive of owners to grow (Angeles et al., 2019). Evidently, in this 21st economic era, the existence of microenterprises worldwide still contributes significant parcel and role in feeding the nation-builders and small entrepreneurs. The eventual realization and actualization of one's business venture inates from being micro and as starter that normally uses relatively minute amount of capital. As the business grow, demands for increasing the capital arises and ultimately flourish small

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and microenterprises into recognizable economic pillars and internationally acclaimed companies and corporations.

Internationally, results show that small and microenterprises confront the following difficulties: competition with other small businesses and major corporations; a shortage of credit; inexpensive imports; insecurity; and debt collection. Compared to earlier studies, credit restriction appears to be relaxing. Business success is positively correlated with relevant training or education. Fair pricing, discounts, and special offers, wide range of services and goods, first-rate customer service, and consistently raising the bar on service quality are some of the techniques used by these small and microenterprises to address the problems (Bowen et al., 2009). Hence, the study concludes that adopting a variety of tactics is necessary for the foreseeable successes of microenterprises. The World Trade Organization emphasizes that the difficulties in engaging in international trade increases with the size of the company. This idea prompted the WTO to start an "Informal Working Group on MSMEs" to address the challenges associated with foreign trade operations that are a considerable burden for MSMEs looking to engage in global trade (Cancela, 2019).

In the Philippines, the government's smallest political administrative subdivision is the barangay, in addition to the municipal and provincial (Porio & Roque-Sarmiento, 2019). The barrio is regarded as the primary building block of Philippine national government and these barangays are the home of thousands of small and thriving microenterprises like community-based stores primitively termed as Barangay Microbusiness Enterprises.

On November 13, 2002, the Congress of the Philippines in its Twelfth Congress, signed by former President Gloria Macapagal-Arroyo, enacted the Republic Act No. 9178, commonly termed as BMBE Law, "An act to promote the ESTABLISHMENT of BARANGAY MICRO BUSINESS ENTERPRISES (BMBEs), providing incentives and benefits, therefore, and for other purposes. The Philippine government conceivably found its way to help amateur microenterprise owners bridge the gap between the high risk of losing the business during its pre-start-up

years and attaining gradual business growth. It is a fact that certain microenterprises were deemed effective if such financial, human, and other forms of resources or whereabouts were well-managed, utilized, and consumed. This efficacy led to the passage of the BMBE Law, which was given the name "Barangay Micro Business Enterprises (BMBEs) Act of 2002" under its preliminary provisions.

BMBE Law came not without its five (5) different adaptation mechanisms/privileges or incentives that will possibly be received or enjoyed by the registered BMBEs. These incentives will play a vital factor in attaining lawful and legitimate maximum or optimum benefits, especially during BMBEs first years of operation, namely; (1) Exemption from Taxes and Fees, (2) Exemption from the Minimum Wage Law's Applicability and Coverage, (3) Credit Delivery, (4) Technology Transfer, Production and Management Training, and Marketing Assistance and (5) Trade and Investment Promotions. These mechanisms are under Republic Act No. 9178, "Barangay Micro Business Enterprises (BMBEs) Act of 2002." These adapted mechanisms are also well-considered since they are the concrete determinants of how many of these incentives are genuinely received, utilized, and enjoyed by the registered BMBE's thereby assessing their effectiveness.

Exemption from Income Taxes and Fees to all registered BMBEs can significantly help. Stressing the income tax that may be exempt will suffice many financial needs of the micro-enterprise owners. The supposed tax can pay various utility expenses incurred by the owner, and the supposed statutory fees to be paid can somehow help any tuition fee obligations to any dependents of the owners. Now that TRAIN LAW has been implemented, various commodities surged to unexpected prices, leaving some homeowners incapable of buying goods or where purchasing power decreased.

Exemption from the Minimum Wage Law's Applicability and Coverage to all registered BMBEs is another means of obtaining favorable financial benefits. Employees employed by BMBEs are in some way paid below minimum wage but still considered practicable and legit since the provision of the Act covers such mechanism. In this manner, BMBEs can save

extra cash to defray other necessities. This incentive will disregard employees, but to compensate for such low wages/salary, BMBEs are still required to submit an employee's portfolio for any same benefits given to any regular employee, such as social security and healthcare benefits.

Credit Delivery can smoothen and ease the feeling of all BMBE owners since there will be more accessible credit advances and extensions by any accredited lending institutions to our BMBEs. Act's credit delivery will allow BMBEs to lend money hassle-free, bridging the gap between strenuous borrowing procedures and more convenient and reachable borrowing procedures.

Transfer of Technology, Training in Production and Management, and Marketing Support through the help of other Philippine government agencies can be of great help, especially to the different investment machinery needed in the production and transformation of raw materials to finished products. The PAGCOR, as the primary source of funds, will be aided by other government agencies like DTI, TESDA, and the like.

Trade and Investment Promotion. No small business wants to stay long as small; every microenterprise also desires to become one of the next big things. To reach such, these BMBEs have to come to the big arena of trade and industry where prospective investors can make closer contact and negotiate with more immense opportunities and trends of doing business.

Though these incentives or mechanisms laid and provided down by the government authority to registered BMBEs do exist for almost two (2) decades, few to no related researches concluded some favorable and unfavorable observations. Whereas; selected cases of micro-enterprises managed to avail of the discount provided by the local government regarding its taxes, fees, and charges—identified instances of micro-enterprises exercised as well their rights on the exemption from the minimum wage law. Nonetheless, the most attractive provision of the Act about the income tax exemption of the micro-enterprises was not successfully availed by the micro-enterprises. The micro-entrepreneurs did not explore the

financing area of micro-enterprises through a special credit window, which might result in possible benefits in the future in the area of financial management. Further results showed that the major obstacles faced by micro-entrepreneurs are the lack of understanding of the law and bureaucratic red tape in the government (Figueroa, 2018).

Most of the livelihood and employment in the Philippines consisted of micro, small, and medium-sized companies (MSMEs) in 2014, which employed approximately 99.5% of establishments and 61.6% of the labor force (Cuevas, 2017). Regardless of the type of business ownership, such as sole proprietorship, cooperative, partnership, or corporation, a microenterprise is defined in the Philippines as any business activity or enterprise engaged in industry, agribusiness, and services that meet the following criteria: (1) an asset size (excluding land) of up to three (3) million pesos; and (2) an employment size of 1–9 employees. Microenterprises made up 91.6% (709,899) of all MSMEs as of 2010, while small and medium-sized businesses made up 8% (61,979) and 0.4 percent (2,786) of MSMEs, respectively (Senate of the Philippines, Senate Economic Planning Office, 2012).

Locally, the enactment and implementation of the above-mentioned act has been tremendously disseminated across the nation considering its existence for almost 17 years already. This law has provided refuge and dependence from approximately two-hundred sixty (260) registered BMBE's in the Province of Zamboanga del Norte, Philippines (Department of Trade and Industry [DTI] Philippines, 2022). Since such law has been utilized by these BMBE's for supposed numerous years already, the researcher intends to assess and measure the effectiveness of the said law to BMBE's registered in province in relation to the five (5) adaptation mechanisms or incentives that these registered BMBE's received or enjoyed.

To date, the Province of Zamboanga del Norte's economy is now currently played by several and various form of business formation and ownership composed of both microenterprises and small enterprises. Microenterprises to be exact, primarily dominated the conduct of trade and commerce in the entire province

which is composed of varied line of businesses namely; manufacturing, service and retail service which were all DTI Registered/Renewed businesses, of which, three-hundred sixty four (364) are registered barangay microbusiness enterprises BMBEs. In some accurate stations in the province, fishing and related enterprises are the primary livelihood of all the households surveyed (83.02%) because they are situated in coastal communities and the target population for this study. It must be also a secondary income source to some households. Just like many rural communities, the wives have a very low participation in the productive labor. They do not report housekeeping or being in the house as work although they are may be actually involved in some pre- and post-fishing related activities for fishing households, except in fish trading which requires them to leave the home (Naguit et al., 2011).

As manifested, a lot of microenterprises are still striving which are on the process of developing and continuously finding their voice and break into the specific industry as it revolves or hopes for any possible help from government or non-government organizations/agencies.

Given this statistical stasis of advancement, it is unclear why a sizable portion of enterprises continued to operate as microenterprises more than a decade after the law's implementation. Moreover, for this reason, the study aims to determine the effectiveness of the BMBE Law, believing that specific percentages of these business hopefuls' faith and chances may be determined by the effective and full implementation of the law.

### **Literature Review**

Microenterprises in the Philippines, generally, face in-depth struggles and problems. Micro and small enterprises (MSEs) comprise most 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 worldwide the chance to obtain jobs, education, training, and experience. However, empirical data show that only a small number of small enterprises can advance to the next level of productivity, income, and employment. In contrast, most small businesses never grow

their operations beyond a particular scale (Berner et al., 2012).

By the year 2008, just after the enactment of the BMBE Law, the Republic Act No. 9501 of Section 3, "Magna Carta for Micro, Small and Medium Enterprises (MSMEs), explicitly defined micro, small and medium enterprises as any industry, agribusiness, or service-related business activity or enterprise, whether a sole proprietorship, cooperative, partnership, or corporation, whose total assets include those from loans but exclude the land on which the office, plant, and equipment of that particular business entity resides, must have value falling under one of the following categories: for Microenterprises - not more than three million pesos (₱3,000,000.00); for Small Enterprises - between three million one pesos (₱3,000,001.00) to fifteen million pesos (₱15,000,000.00); for Medium Enterprises - between fifteen million one pesos (₱15,000,001.00) to one hundred million pesos (₱100,000,000.00).

The 2017 List of Establishments of the Philippine Statistics Authority (PSA, 2020) showed 924,721 business entities operating in the Philippines, a statement accorded by the Micro, Small and Medium Enterprise Development (MSMED) Council (2022) report. 99.56% (920,677) of all establishments are micro, small, and medium-sized businesses (MSMEs), of which 89.59% (828,436) are microenterprises, 9.56% (88,412) are small businesses, and 0.41% (3,829) are medium-sized businesses. The remaining 0.44% belongs to large businesses (4,044). In terms of the number of MSMEs, the top five (5) industries in 2017 were: (1) Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (423,637 establishments); (2) Accommodation and Food Service Activities (121,740 establishments); (3) Manufacturing (116,071 establishments); (4) Other Service Activities (57,491 establishments); and (5) Financial and Insurance Activities (41,012 establishments).

Empirical research shows that larger businesses try to survive longer than smaller companies. Little research shows whether size confers survival advantages in addition to the survival benefits of baseline profitability. Moreover, no prior research attempts to disentangle

the benefits of organizational capital that accrue from a grander scale from those that arise from a greater scope. Thus, we lack a conceptual understanding of the underlying benefits of business size for long-term survival (Bercovitz & Mitchell, 2006).

A sole proprietorship, the most installed type of business adopted by these MSMEs, is an unincorporated business conducted by the owner in his or her capacity. It is said to be the simplest form of business ownership, but it is essential to know that the sole proprietorship is not a separate legal entity. From a legal standpoint, the business has no existence apart from its owner. The owner maintains complete authority over the management of the business, and the title to the entity's assets lodges in the proprietor's name. The primary advantage of the sole proprietorship structure is that it is the easiest and the least expensive ownership structure to organize. Plus, the owner maintains complete control over the business, and the entity is relatively easy to dissolve (Prescott et al., 2010).

Majority of the jobs are generated by MSMEs in the National Capital Region (NCR) with 1,444,769 jobs; followed by MSMEs in Region 4-A (CALABARZON), 712,009; Region 3 (Central Luzon), 495,434; Region 7 (Central Visayas), 373,867; and Region 6 (Western Visayas), 278,366.

With BMBE Law's adaptation mechanisms or incentives, this study was conducted to assess the effectiveness or satisfactory level of the various registered BMBEs in the Poblacion of Katipunan, which were, in one way or the another, enjoyed or got the chance to avail all of the different incentives offered by the law. Utilization of such helpful machinery, equipment including its facility management, tends to be reactive and technically focused. The information revolution significantly impacts how, when, and where people work in any case. As a result, even if they were not previously considered a strategic issue, "facilities" are being thrust to the forefront. Facilities managers must participate in a balanced, coordinated set of operational and strategic interactions while employing these facilities to take advantage of this opportunity (Barrett, 2000).

According to the study conducted by Aldeguer (2015), in its published research entitled "Extensive Implementation of the BMBE Law: An Assessment Across Metro Manila," there is a significant difference between the ideal and actual level of promotion (in terms of awareness of micro-entrepreneurs) of the BMBE Law in Metro Manila across the 17 cities in NCR and its sectors. At this point, it can be hypothesized that such a low level of awareness may also apply to specific areas of the country, especially here in the province of Zamboanga del Norte.

The ideal and actual levels of implementation (in terms of microentrepreneurs' experiences) of the BMBE Law in Metro Manila among the 17 cities in the NCR and its Sectors varied significantly, in addition to the variation in promotion level. The conclusion is beneficial in determining the status of the law's effectiveness on the microenterprises in the Poblacion. The statement suggests that, generally, the law is not well-implemented in every corner of the country's sovereignty. This provision also suggests that there might be some errors or lapses in information implementation, leaving the rest of the country's parcel unaware of such implementation and can somehow affect the specific performance of the locality. From a specific perspective, a need to determine its effectiveness has to be addressed (Aldeguer, 2015).

## Methods

### *Research Design*

A descriptive-correlational research design was used in the study anchored on Varun Sharma's Theory of Business Development that influences the usefulness of combined factors like resources, market, relationship, and mindset in nurturing businesses during their start-up stages like microenterprises (Sharma, 2014). The study was conducted at the Province of Zamboanga del Norte (one of the provinces in the southern part of the Philippines).

### *Respondents of the Study*

The researcher surveyed the purposively sampled-population of (260 registered BMBEs in the Province of Zamboanga del Norte). Out of the two-hundred sixty (260) population-registered BMBEs, sixty (60) respondents or various

registered microenterprises were taken from zonal center of the Province while the other eleven (200) respondents were taken from the various registered microenterprises in the varying municipalities in the province (DTI Philippines, 2022). The study targeted the registered microenterprises' owners, managers, or enterprises' in-charge/attendants from a diversified field of industry categories: merchandising-retail/wholesale, manufacturing, or service industries.

### **Research Instrument**

A validated survey questionnaire created by the researcher using a five-point Likert scale served as the research tool. Aside from gathering data about the profile of both the respondents and the microenterprises, questions were based on the level of effectiveness of the BMBE Law Adaptation Mechanisms/Incentives.

Statistically, frequency and percentage distribution table was used to describe the profile of the respondents and the BMBE Law Adaptation Mechanisms or Incentives availed of by BMBEs. The degree of efficacy of the BMBE statute was assessed using the weighted mean. Further, the significant relationship between the microenterprises profile and the extent of BMBE Law adaptation incentives availed by

BMBEs Pearson Correlation Coefficient (r) was used.

### **Results and Discussion**

The researcher found that the BMBE Law was generally effective for the BMBEs registered beneficiaries in the Province of Zamboanga del Norte, with a weighted mean of 4.1769. This result could mean that the government authority responsible for the eventual delivery of services intended for BMBEs has been effective and useful to the beneficiaries making its 2 (out of 5) incentives very effective. Further research revealed a weak association between the level of effectiveness of BMBE Law and the profile of microenterprises.

This result made the researcher conclude that microenterprises' profiles did not contribute much in determining the BMBE Law's effectiveness. Therefore, the derived result of the effectiveness is a pool of participative factors/determinants. There is indeed a high correlation or significant relationship between the extent of BMBE Law adaptation mechanisms/incentives and the level of effectiveness of BMBE Law, with its correlation coefficient of 0.6442. Such correlation is a piece of solid evidence that the more these incentives are vastly disseminated and extended to the BMBEs, the more accurate favorable results can be obtained.

### **1. Microenterprises Profile**

*Table 1.1. BMBEs' profiles, grouped by Type of Business Ownership*

<b>Type of Business Ownership</b>	<b>Frequency</b>	<b>Percentage</b>
Sole Proprietorship	228	88.00
Partnership	32	12.00
<b>Total</b>	<b>260</b>	<b>100.00</b>

Table 1.1 shows that 228, or roughly (88%) of the total BMBEs operate under a Sole Proprietorship type of business formation. None of the BMBEs opt to form their business under a Cooperative type of business formation. This could possibly mean that the owners are wise enough in selecting the business form since selecting the type of business ownership also implies financial settlements especially during a formation and operation depending on the type

of business, the more complex form of a business formation the more expensive related costs will be. Considering the primary advantage of the sole proprietorship structure is that it is the easiest and the least expensive ownership structure to organize because the owner maintains complete control over the business, and the entity is relatively easy to dissolve (Prescott et al., 2010).

*Table 1.2. BMBEs' profiles, grouped by the Number of Years the Business Existed*

<b>Number of years the business existed</b>	<b>Frequency</b>	<b>Percentage</b>
13 years and above	10	4.00
10 - 12 years	20	8.00
7 - 9 years	31	12.00
4 - 6 years	80	31.00
0 - 3 years	119	46.00
<b>Total</b>	<b>260</b>	<b>100.00</b>

Data in Table 1.2 shows that 119 (46%) of the total number of BMBEs existed as BMBEs between 0 - 3 years. Only 10 BMBEs have existed as BMBE for more than 13 years since its creation in 2002. Evidently, this result manifests that the BMBEs registered in this category are still in the process of observing the flow and mechanisms established in the BMBE Law. This could also be strong evidence that any result drawn from this set of data or information may not be too reliable considering the age of existence that is still young and can still be considered as new/fresh which is very vulnerable in

terms of staying in the competition considering that larger businesses tend to survive longer than smaller companies (Bercovitz & Mitchell, 2006). Little research, though, shows whether size/business' age confers survival advantages in addition to the survival benefits of baseline profitability. On the other hand, there is only 10 out of 260 registered BMBEs that existed for 13 years as BMBE, comprising 4% of the total BMBEs. This ratio means once again that the longer the years the BMBEs operate, the bigger the opportunity for the progress it can attain (Bercovitz & Mitchell, 2006).

*Table 1.3. BMBEs' profiles, grouped by Amount of Monthly Profit*

<b>Amount of monthly profit</b>	<b>Frequency</b>	<b>Percentage</b>
20,001 - ABOVE	10	4.00
16,001 - 20,000	31	12.00
12,001 - 16,000	20	8.00
8,001 - 12,000	60	23.00
4,001 - 8,000	99	38.00
0 - 4,000	40	15.00
<b>Total</b>	<b>260</b>	<b>100.00</b>

Table 1.3 shows that an amount between Php 4,001 – Php 8,000 is the leading monthly profit earned by these determined BMBEs, constituting ninety-nine or (38%) of the total number of BMBEs. Only ten (10) concerned BMBEs (4%) earns a monthly income of more than Php 20,001, an income of Php 60,000. This implies that most of the BMBEs still derive income of not more than 10,000 a month an amount which is still not enough in defraying the various necessities of a typical 3-member family. While on the other hand, it is evident that only 10 registered BMBEs out of 260 (4%) of the total respondents earn a monthly income ranging

from 20,001 and above, ranging from Php 60,000 a month to be exact. This can somehow imply that a BMBE can actually earn income that is said to be more than what is defined as enough for living and can still have the potential to hire deserving employees evidenced by the MSMEs that generated a total of 4,922,251 jobs in 2017 versus 2,909,838 for the large enterprises declaring almost 70% favorable discrepancy, this further indicates that MSMEs contributed almost 62.9% of the total jobs generated by all types of business establishments for the year of 2017 (MSMED Council, 2022).

Table 1.4. BMBEs' profiles, grouped by Educational Attainment of Employees

Educational Attainment	Frequency	Percentage
College	49	19.00
High School	162	62.00
Elementary	49	19.00
<b>Total</b>	<b>260</b>	<b>100.00</b>

Data in Table 1.4 indicate that most BMBE owners employed employees or attendants with the educational attainment of High School, both undergraduate or graduates comprising 162 out of 260 BMBEs (62%). None of the BMBE owners opt to employ or hire employees with the educational attainment of Kindergarten or no education at all; all of their workers or attendants are at least elementary graduates. In effect, these BMBEs can attract a vast

range of potential workers regardless of the compensation to be received by these registered BMBEs evidenced by a contribution of almost a 62.9% increase in the total jobs generated by all types of business establishments (MSMED Council, 2022).

On the other hand, none of the respondents only garnered Kindergarten or no education at all. All of them obtained basic educational qualifications enough to manage a small business.

## 2. BMBE Law Adaptation Mechanisms or Incentives Availed of by BMBEs registered and to what extent

Table 2. List of BMBE Law Incentives Availed by the BMBE Owners

BMBE Law Incentives/Benefits	Frequency	Percentage	Total
A Exemption of Income Tax, etc.	260	100.00	100.00
B Minimum Wage Law Exemption	250	96.00	100.00
C Technology, Facilities Assistance, etc.	222	85.00	100.00
D Credit Delivery	231	89.00	100.00
E Promotion/Ads.	215	83.00	100.00

Presented in Table 2 is the extent of BMBE Law incentives availed or received by the BMBEs. Exemption from Income Tax and other Fees is the only incentive from the BMBE Law that is availed, felt, and received by all determined BMBEs (100%). The least availed incentive is promotional assistance comprising 83% of the total number of respondents. The BMBEs significantly avail all other incentives. This is strong evidence that may lead to the conclusion that one of the five (5) benefits/incentives could really be very effective to them considering the usefulness of the benefit which is the exemption to income tax and other related fees. This particular incentive could be the heart of the law considering that such benefit was highlighted and enlisted to be the prime expected benefit to be felt by BMBE owners that aim to strengthen the economic and financial freedom of these BMBEs (BMBE's Act, 2002).

### 3. The significant relationship between the microenterprises profile and the extent of BMBE Law adaptation incentives availed by BMBEs.

Table 3 discloses that the extent of BMBE Law adaptation mechanisms/incentives and the Level of Effectiveness of BMBE Law Incentives/Mechanisms have a high correlation coefficient of 0.6442. Remarkably, microenterprises are independently associated with the various mechanisms or incentives set forth by the BMBE Law. Evidencing the insignificant relationship towards the extent of how these incentives are felt and experienced by the BMBE owners, it can be hypothesized that the possible relative level of effectiveness that can be derived from this study will be less affected by the BMBE owners' profile (Aldeguer, 2015).

*Table 3. Pearson R Table on the relationship between the Microenterprises Profile and the Extent of BMBE Law Adaptation Incentives availed by BMBEs*

<b>Correlation Coefficients Matrix</b>		
Variables	Microenterprises Profile	The Extent of BMBE Law Incentives
Microenterprises Profile	1	
The Extent of BMBE Law Incentives	-0.1305	1
<b>p-value</b>	0.1868	
Ho Null Hypothesis @ 5%		<b>ACCEPTED</b>
<b>Microenterprises Profile vs. The Extent of BMBE Law Incentives</b>		<b>-0.1305</b>

#### 4. Level of Effectiveness of BMBE LAW

*Table 4. Level of Effectiveness of BMBE Law*

<b>BMBE Law Effectiveness Criteria</b>	<b>Incentive Mean</b>	<b>Description</b>
1. Exemption from Income Tax and Fees	4.79	Very Effective
2. Exemption from Coverage in Minimum Wage Law	4.45	Very Effective
3. Technology Transfer, Production, Management, Training & Marketing Assistance	3.96	Very Effective
4. Credit Delivery/Line	4.01	Very Effective
5. Trade and Investment Promotions	3.67	Very Effective
<b>Grand Weighted Mean</b>	<b>4.18</b>	<b>Effective</b>
<b>LEGEND :</b>		
	<b>4.21 – 5.00</b>	<b>VERY EFFECTIVE</b>
	<b>3.41 – 4.20</b>	<b>EFFECTIVE</b>
	<b>2.61 – 3.40</b>	<b>MODERATELY EFFECTIVE</b>
	<b>1.81 – 2.60</b>	<b>LESS EFFECTIVE</b>
	<b>1.00 – 1.80</b>	<b>NOT EFFECTIVE</b>

Presented in Table 4 is the level of effectiveness of BMBE Law. Exemption from Income Tax and other Fees and Exemption from Coverage of Minimum Wage Law are the two incentives that garnered the highest favorable assessment level of being very effective. all other incentives were determined as effective. the bmbc law is generally found as effective with its weighted mean of 4.1769. This implies that for almost 17 years of the law's existence, the respondents agree that the law has been helpful and useful to various BMBEs, especially for some incentives and benefits that are readily available and frequently encountered like the Annual Remittance of Income Tax Return and Department of Labor and Employment (DOLE) employee-employer regulations. However, despite its general unpopularity across the major cities in the

country wherein, it was suggested that microenterprises are not much satisfied with the existence of such above-mentioned law, thereby increasing the supposed likelihood of ineffectiveness of the law to the specific locality of Katipunan considering the adaptation mechanisms or incentives that the microenterprises will be enjoying (Aldeguer, 2015).

#### Conclusion

Detailed statements of conclusions are as follows:

First, it is safe to conclude that BMBE Law is considered entirely effective with its grand weighted mean of 4.1769. The weighted mean implies that for almost two decades of the law's existence, the respondents agreed that it has been helpful and valuable to various BMBEs

despite its unpopularity across the major cities in the country. Additionally, it was suggested that microenterprises are not much satisfied with the existence of such a law.

Second, most of the registered BMBEs in the Province of Zamboanga del Norte is still in the exploration or observation phase of their identity as BMBEs. Further, the clarity of the result might be caused by the fact that most of the BMBEs are still registered BMBEs for four years, the most. At these stages of years, most of these microenterprises are still very minute and vividly needs support and assistance, especially in financial and economic aspect.

Thirdly, most BMBEs are considered wise enough since most BMBEs opt to establish their businesses under a sole proprietorship business. Aside from their available capital being only enough to establish a sole proprietorship business, employing human resources that demand a higher pay scheme is another challenge. In addition, they are aware as well with the corresponding cost and related statutory expenses if they opt to become a Partnership, Cooperative, or even Corporation.

Fourth, with the monthly income earned by these BMBEs, the researcher concluded that this type of government program/law intended for them should have been delivered to these in-need BMBEs. It is suitable for the law to be extended, considering that most of these BMBEs only have a monthly income of Php8,000 and below. In addition, most of these BMBEs do not have any other means of obtaining money for living; they depend absolutely on the income of their businesses. In turn, these money ranges are really insufficient to defray the necessities of a typical 3-member family.

Fifth, exemption from Income Tax and other related Fees is the only incentive/benefit stipulated in the law that has been availed by all registered BMBEs (100%). On the other, promotional assistance is the least availed by these BMBEs (83%) of the total registered BMBEs. The researcher concluded that the BMBE Law had been generally felt or availed by the BMBEs with an average extent rate of (90%).

## Recommendations

The researcher concluded that the BMBE Law was found to be generally effective to the BMBEs registered in determining beneficiaries in the Province of Zamboanga del Norte, with a weighted mean of 4.1769. This conclusion could mean that the government authority responsible for the eventual delivery of services intended for BMBEs has been effective and useful to the beneficiaries making its two incentives very effective.

There is indeed a high correlation or significant relationship between the extent of BMBE Law adaptation mechanisms/incentives and the profile of the BMBEs, with its correlation coefficient of 0.6442. This correlation is a shred of strong evidence that the more these incentives are vastly disseminated and extended to the BMBEs, the more accurate favorable results can be obtained.

## Recommendations

Based on the findings and conclusions are the following recommendations:

1. That the BMBE Law implementer should continue or initiate an awareness program or plan that will entice other micro-business enterprises to register as BMBE regardless of the number of years in the business, educational attainment of the proprietor, and the same holds to the other factors and conditions of the microbusiness.
2. That there should be a consultation activity or program to be initiated by the BMBE concerned authority; if it's too impossible to do every year, every 2-3 years. This is to assess their in-progress targets/goals in consonance with their economic and financial standing as to how far they've gone since they became part of the BMBE program.
3. That the BMBE concerned authority may consider revising/amending the law or may create another reforming that aids the development of the law making it more useful and effective to the beneficiaries. The authority can add or remove useless incentives or mechanisms to address the necessities of the BMBEs.

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