

The Enabling Environment of Micro, Small, and Medium-sized Enterprises (MSMEs) in Bukidnon, Philippines

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ABSTRACT

Introduction: MSMEs' apparent contribution to the Philippine economy and ultimately to the standards of living of its populace makes it an important sector on its own. For context, these enterprises make up roughly 99.5% of the total number of business establishments in the country and contributing to 35.7% of the GDP in 2018 alone. This thus opens up the question: if these enterprises contribute so much to the well-being of the economy, why not then nurture more of them? While it may be the direction that the government ought to take, there are several challenges. Some of the factors contributing to SMEs' sluggish growth include poor communication structure (Fancisco and Canare, 2020), limited financial access, a lack of databases, low R&D spending, undeveloped sales channels, and low levels of financial inclusion (Yoshino and Taghizade-Hesary, 2016). These are some of the reasons that make it difficult and even unattractive for individuals to pursue entrepreneurial ventures. While there are several other factors that play a role, it has been challenging to grasp which aspect, of the many, truly deters the growth of MSMEs.

It is thus the aim of this study to shed light on what specific components of MSME's enabling environment (Policy, Finance, Culture, Supports, Human Capital, Markets (Isenberg, 2011)) make it difficult for them to grow, prosper and expand.

Objectives: The aim of the study was to understand how MSMEs perceived their enabling environment and look into how their perceptions differed when grouped according to their enterprises' business profile and the owners' demographic profile.

Methods: A descriptive-correlational research design was used to analyze results from 429 randomly selected registered MSMEs in the province of Bukidnon, Philippines. A survey using a questionnaire (cronbach's alpha = 0.95) was used to collect data. Profile of respondents (socio-demographic and business), and the enabling environment were analyzed using descriptive statistics. While significant differences in respondents' enabling environment was analyzed using Independent One-Way Analysis of Variance with significant results analyzed further with post-hoc Tukey's HSD.

Results: Majority of the MSMEs in the province of Bukidnon are classified as Micro. This means that these businesses mostly employ 1 - 9 employees. They're also predominantly owned by females aged 40 - 49 with college-level education, and are mostly married. Typically aged 1 - 3 years, primarily engaging in wholesale and retail trade. Based on these results, businesses in the province seem to have a hard time graduating from the 1 - 3 year age category.

The enabling environment is perceived as only moderately conducive which suggests that businesses don't necessarily find doing business in the province ecstatic. Which coincides with how majority of businesses in the locale find it difficult to sustain operations beyond the 1 - 3 year age. However, there may be other factors at play that this study could not reveal.

Results further showed that significant differences in perceptions of the enabling environment only emerged when businesses were grouped based on the nature of business and in which municipality they operated in.

Conclusions: While the enabling environment for MSMEs in Bukidnon is perceived as moderately conducive overall, there are significant variations across business types and

municipalities that need to be addressed through targeted interventions. By building on the existing strengths in culture and finance, and by implementing sector-specific and location-sensitive policies and programs, stakeholders can work towards creating a more uniformly conducive environment that supports the growth, sustainability, and competitiveness of MSMEs throughout the province. This approach would not only benefit individual businesses but could also contribute to broader economic development and poverty reduction goals in the region.

Keywords: SME, enabling environment, business climate.

INTRODUCTION

While large multinational companies are major drivers of economic growth, it is the small and medium enterprises (SMEs) that often serve as the resilient backbone of many global economies. According to the World Bank (2020), SMEs “represent about 90% of businesses and more than 50% of employment worldwide. Formal SMEs contribute up to 40% of national income (GDP) in emerging economies. These numbers are significantly higher when informal SMEs are included. According to our estimates, 600 million jobs will be needed by 2030 to absorb the growing global workforce, which makes SME development a high priority for many governments around the world. In emerging markets, most formal jobs are generated by SMEs, which create 7 out of 10 jobs” (The World Bank, 2020).

This global trend is reflected in the Philippines as well. As of June 2020, the Congressional Policy and Budget Research Department reported that micro, small, and medium enterprises (MSMEs) accounted for 99.5% of all business establishments in the country. The Department of Trade and Industry (DTI) estimated that MSMEs contributed 35.7% to the country's gross domestic product in 2018 and generated 5.7 million jobs, representing 63.2% of total employment (Department of Trade and Industry–Bureau of Micro, Small and Medium Enterprise Development, 2012).

Given their substantial contributions, MSMEs play a crucial role in enhancing the Philippine economy and improving the standard of living for many citizens. It would seem logical, then, to nurture and grow this sector. However, several challenges hinder their development. These include poor communication infrastructure (Canare & Francisco, 2019), limited access to finance, a lack of comprehensive databases, low expenditures on research and development, underdeveloped sales channels, and generally low levels of financial inclusion (Yoshino & Taghizadeh-Hesary, 2016). These barriers can discourage individuals from pursuing entrepreneurial ventures and present persistent hurdles to SME growth.

While numerous factors influence the trajectory of MSMEs, it remains unclear which aspects most critically impede their growth. Thus, this study aims to identify the specific components of the enabling environment—such as policy, finance, culture, support systems, human capital, and markets—that hinder MSMEs from scaling up, prospering, and expanding (Isenberg, 2011).

OBJECTIVES

The study primarily looked into: (1) assessing the profile MSMEs and their owners' demographic profile; (2) evaluate the conditions of MSMEs enabling environment in terms of (a) policy, (b) markets, (c) culture, (d) finance, (e) human capital, and (f) supports; and (3) evaluate any differences in how MSMEs perception of their enabling environment based on their profiles.

METHODS

A descriptive-correlational research design was used to analyze results from 429 randomly selected registered MSMEs in the province of Bukidnon, Philippines. A survey using a questionnaire (cronbach's alpha = 0.95) was used to collect data. Profile of respondents (socio-demographic and business), and the enabling environment were analyzed using descriptive statistics. While significant differences in respondents' enabling environment was analyzed using Independent One-Way Analysis of Variance with significant results analyzed further with post-hoc Tukey's HSD.

RESULTS

Profile of Micro, Small, and Medium-sized Enterprises and its owners

Classification. Table 1 shows data on the classification of enterprises in the Province of Bukidnon. From the total sample of 429, 96.5% or 414 are classified as Micro, 2.1% or 9 as Small, and 1.4% or 6 as Medium. The classification is based on an enterprises' number of employees as defined under Republic Act No. 9501 or the Magna Carta for MSMEs in the Philippines. It is observed that a large fraction of the enterprises in Bukidnon are classified as Micro. This finding corresponds to the current composition of Philippine enterprises where a majority (88.77%) is primarily composed of Micro enterprises (Department of Trade and Industry, 2020).

Number of Years in Operation. Enterprises operating for 1-3 years comprise 43.12% or 185 of the total respondents, 17.95% or 77 have been operating for 4-6 years, 6.53% or 28 for 7-9 years, and 32.4% or 139 have been operating for more than 10 years. The data shows that a majority of the respondents are just starting out and the smallest fraction of the enterprises are about to enter into the 10-year mark of operations.

Number of Employees. Majority of the enterprises have 1-9 employees comprising 96.5%, 2.1% or 9 enterprises have 10-99 employees, and 1.4% or 6 enterprises have 100-199 employees. The composition corresponds to the classification of enterprises since the number of employees is used as the basis for classifying an enterprise as Micro, Small, or Medium

Nature of Business. The data presented under this profile indicates the kind of business operation enterprises fall under. The results show that majority of the enterprises fall under Wholesale and Retail Trade, comprising 33.8% or 145 of the total respondents, followed by Accommodation and Food Service Activities with 20.28% or 87 enterprises, Agriculture, Forestry, and Fishing with 19.11% or 34 enterprises, Repair of Motor Vehicles and Motorcycles with 7.93% or 34 enterprises, Construction and Other Business Activities with 4.2% each or 18 enterprises each, Information and Communication with 3.73% or 16 enterprises, Human Health and Social Work Activities with 3.03% or 13 enterprises, Electricity, Gas, Steam, and Air Conditioning Supply with 1.4% or 6 respondents, Arts, Entertainment, and Recreation with 0.93% or 4 enterprises, Education and Water Supply, Sewerage, Waste Management and Remediation Activities with 0.47% each or 2 enterprises each, and Administrative and Support Service Activities, and Real Estate making up a combined 0.46% or 2 enterprises only.

Table 1
Business Profile of Micro, Small, and Medium-sized Enterprises

Indicator	Frequency (N)	Percentage (%)
Classification:		
Micro	414	96.5
Small	9	2.1
Medium	6	1.4
TOTAL	429	100
No. of Years in operation:		
1-3	185	43.12
4-6	77	17.95
7-9	28	6.53
10 and above	139	32.4
TOTAL	429	100
No. of employees		
1-9	414	96.5
10-99	9	2.1
100-199	6	1.4
TOTAL	429	100
Nature of Business:		
Accommodation and Food Service Activities	87	20.28
Administrative and Support Service Activities	1	0.23
Agriculture, Forestry, and Fishing	82	19.11
Arts, Entertainment, and Recreation	4	0.93
Construction	18	4.20
Education	2	0.47
Electricity, Gas, Steam, and Air Conditioning Supply	6	1.40
Human Health and Social Work Activities	13	3.03
Information and Communication	16	3.73
Real Estate Activities	1	0.23
Water Supply, Sewerage, Waste Management and Remediation Activities	2	0.47
Wholesale and Retail Trade	145	33.80
Repair of Motor Vehicles and Motorcycles	34	7.93
Other Business Activities	18	4.20
TOTAL	429	100

Demographic Profile of Micro, Small, and Medium-sized Enterprise Owners

Age. Shown in Table 2, 30.77% or 132 of MSME owner-respondents fall under the age of 40-49, followed by 30-39 age group comprising 28.67% of the total respondents or 123 enterprises, then by the 50-59 group making up 17.48% or 75 enterprises, followed by the 21-29 age group with 11.19% or 48 enterprises, then by 60 and above age group comprising 10.26% or 44 enterprises, followed by the 18-20 year age group with 4 enterprises, then by the 17 and younger age group comprising 0.47% of the total respondents or 2 enterprises. There was one respondent with no recorded response.

Sex. Results show that majority of the MSME owner-respondents are female comprising 66.4% of the total respondents or 285 enterprises. The male MSME owner-respondents make up only 33.6% of the total respondents or 144 enterprises.

Civil Status. The results reveal that a big fraction of the respondents are married, comprising of 78.8% of the total respondents or 338 enterprises, while 15.9 % or 68 of the owner-respondents are Single, 3.7% or 16 are Widowed, and 1.4% or 6 are Separated. There was one respondent with no recorded response.

Education. College graduates make up 45.7% or 196 of the owner-respondents, followed by College undergraduates that make up 28% or 120 owner-respondents, then by High School graduates comprising 20.5% or 88 of the owner-respondents, followed by Elementary graduates with 2.8% or 12 of the owner-respondents, then by High school undergraduates with 1.9% or 8 owner-respondents, and Elementary undergraduates with 0.9% or 4 owner-respondents. None of the owner-respondents possessed any graduate or post-graduate degrees. One was respondent had no recorded response.

Table 2***Socio-economic and Demographic Profile of Micro, Small, and Medium-sized Enterprises (MSMEs) Owners***

Indicator	Frequency (N)	Percentage (%)
Age:		
17 or younger	2	0.47
18-20	4	0.93
21-29	48	11.19
30-39	123	28.67
40-49	132	30.77
50-59	75	17.48
60 or older	44	10.26
Non-response	1	0.23
TOTAL	429	100
Sex:		
Male	144	33.6
Female	285	66.4
TOTAL	429	100
Civil Status:		
Single	68	15.9
Married	338	78.8
Separated	6	1.4
Widowed	16	3.7
Non-response	1	0.2

TOTAL	429	100
Education:		
Elementary undergraduate	4	0.90
Elementary graduate	12	2.80
High school undergraduate	8	1.90
High school graduate	88	20.50
College undergraduate	120	28.00
College graduate	196	45.70
With masteral units	0	0
Masteral degree	0	0
With doctoral units	0	0
Doctoral degree	0	0
Non-response	1	0.20
TOTAL	429	100

Summary of Quantitative conditions of Micro, Small, and Medium-sized Enterprise

Table 3 presents the overall scores of the manifest variables of MSMEs enabling environment. The results reveal that respondents perceive the *enabling environment* to be moderately conducive for their growth with a weighted mean of 3.37. The *finance* environment is perceived to be the least conducive among the indicators with a weighted mean of 2.94 while the *culture* environment is perceived to be the most conducive with a weighted mean of 3.86.

Table 3

Summary of Quantitative conditions of Micro, Small, and Medium-sized Enterprise

Indicator	Mean	Descriptive Level
Policy	3.1	Moderate
Markets	3.39	Moderate
Culture	3.86	High
Finance	2.94	Moderate
Human Capital	3.7	High
Supports	3.22	Moderate
Overall	3.37	Moderate

Significant Difference in MSMEs Enabling Environment when Grouped according to Owners' Demographic Profile

Age. Table 4 presents the results of significant difference in the enabling environment of MSMEs when analyzed according to age. Results show an F computed value of 0.649 and a *p* value of 0.691, which is higher than the 0.05 level of significance. This suggests that there is no significant difference and thus the null hypothesis is accepted. This means that respondents tend to perceive the enabling environment equally when grouped according to age.

Table 4

Significant Difference in MSMEs Enabling Environment when Grouped by Owners' Age

Enabling Environment Indicator	Age							F-value	p-value	Decision on Ho
	17 or younger	18-20	21-29	30-39	40-49	50-59	60 or older			
Policy	3	3.46	2.97	3.12	3.08	3.12	3.19	0.569	0.755	Accept
Markets	2.29	2.5	3.25	3.43	3.38	3.42	3.56	2.517	0.021	Accept
Culture	3.8	4.4	3.85	3.88	3.83	3.81	3.96	1.333	0.241	Accept
Finance	3.2	3.15	2.91	2.86	2.98	2.96	3.09	0.861	0.524	Accept
Human	3.5	3.9	3.68	3.74	3.66	3.75	3.65	0.649	0.691	Accept
Supports	3.71	3.25	3.22	3.19	3.19	3.19	3.36	0.779	0.587	Accept
Overall	3.25	3.44	3.31	3.37	3.35	3.38	3.47	0.854	0.529	Accept

Civil Status. Table 5 presents the results of significant difference in the enabling environment of MSMEs when analyzed according to civil status. Results show an F computed value of 0.406 and a *p* value of 0.749, which is higher than the 0.05 level of significance. This suggests that there is no significant difference and thus the null hypothesis as accepted. This means that respondents tend to perceive the enabling environment equally when grouped according to civil status.

Table 5

Significant Difference in MSMEs Enabling Environment when Grouped by Owners' Civil Status

Enabling Environment Indicator	Civil Status				F-value	p-value	Decision on Ho
	Single	Married	Widowed	Separated			
Policy	3.13	3.1	3.11	3.01	0.133	0.941	Accept
Markets	3.37	3.4	3.52	3.19	0.526	0.664	Accept
Culture	3.94	3.84	3.73	3.93	0.932	0.425	Accept
Finance	2.93	2.94	3.17	2.99	0.255	0.858	Accept
Human	3.71	3.69	3.9	3.82	0.718	0.542	Accept
Supports	3.33	3.2	3.26	3.09	1.249	0.292	Accept
Overall	3.4	3.36	3.45	3.34	0.406	0.749	Accept

Education. Table 6 presents the results of significant difference in the enabling environment of MSMEs when analyzed according to education. Results show an F computed value of 0.240 and a *p* value of 0.945, which is higher than the 0.05 level of significance. This suggests that there is no significant difference and thus the null hypothesis as accepted. This means that respondents tend to perceive the enabling environment equally when grouped according to education.

Table 6

Significant Difference in MSMEs Enabling Environment when Grouped by Owners' Education

Enabling Environment Indicator	Education						F-value	p-value	Decision on Ho
	Elementary undergraduate	Elementary graduate	High school undergraduate	High school graduate	College undergraduate	College graduate			
Policy	3.17	3.01	3.31	3.03	3.09	3.14	0.446	0.816	Accept
Markets	3.33	3.37	2.95	3.36	3.41	3.42	0.686	0.634	Accept
Culture	3.7	3.95	3.8	3.85	3.91	3.84	0.514	0.766	Accept
Finance	2.7	2.8	2.57	3.01	2.94	2.95	0.844	0.519	Accept
Human	3.9	3.67	3.53	3.71	3.63	3.74	1.097	0.361	Accept
Supports	3	3.41	3.43	3.18	3.21	3.22	0.659	0.655	Accept
Overall	3.3	3.37	3.27	3.36	3.37	3.39	0.240	0.945	Accept

Enterprise Classification and Number of Employees. Results in Table 7 present significant difference in the enabling environment of MSMEs when analyzed according to business organization. Results show an F computed value of 1.192 and a p value of 0.304, higher than the 0.05 level of significance. This suggests that there is no significant difference, that is, respondents tend to perceive the enabling environment equally when grouped according to business organization.

Table 7

Significant Difference in MSMEs Enabling Environment when Grouped by Business Organization

Enabling Environment Indicator	Business Organization			F-value	p-value	Decision on Ho
	Micro (1-9 employees)	Small (10-99 employees)	Medium (100-199 employees)			
Policy	3.11	2.7	3.39	1.835	0.161	Accept
Markets	3.4	3.1	3.17	1.038	0.355	Accept
Culture	3.87	3.73	3.53	1.644	0.194	Accept
Finance	2.95	2.69	2.83	0.749	0.474	Accept
Human	3.7	3.82	3.9	0.737	0.479	Accept
Supports	3.22	3.16	2.98	0.574	0.564	Accept
Overall	3.37	3.2	3.3	1.192	0.304	Accept

Nature of Business. Results shown in Table 8 present significant difference in the enabling environment of MSMEs when analyzed based on nature of business. The results show an F computed value of 1.965 and a p value of 0.022 which is lower than the .05 significance level. Thus the null hypothesis is rejected. The results suggest that there is a significant difference in how conducive MSMEs perceive the enabling environment is when grouped based on nature of business.

Further analysis shown in Table 9 reveal that enterprises that fall under *Accommodation and Food Service Activities* and *Wholesale and Retail Trade* have significant differences in how conducive they perceive the enabling environment. The computed Cohen's D value of 0.5 suggests that the magnitude of the difference is considered to be *medium*. Cohen's D is used to determine the effect size or the magnitude of the difference between two means.

Table 8

Significant Difference in MSMEs Enabling Environment when Grouped by Nature of Business

Nature of Business	Enabling Environment Indicator						
	Policy	Markets	Culture	Finance	Human Capital	Supports	Overall
1	3.05	3.23	3.88	2.95	3.54	3.09	3.29
2	4	4	4.2	1.6	3.6	3.14	3.42
3	3.02	3.59	3.87	3.01	3.75	3.16	3.4
4	3.33	3.5	4.2	3.3	3.6	3.32	3.54
5	3.09	3.13	3.58	2.5	3.84	2.99	3.19
6	2.5	2.79	4	3	3.9	3	3.2
7	2.5	3.19	3.9	2.93	3.97	3.19	3.28
9	2.94	3.06	3.94	3.02	3.86	3.13	3.33
10	2.78	3.27	3.91	2.66	3.79	3.12	3.26
14	3	4	4	4	4	4.57	3.93
16	3.67	3.21	3.6	2.2	3.5	3.65	3.31
17	3.25	3.47	3.9	3.03	3.71	3.33	3.45
18	3.11	3.44	3.85	2.84	3.74	3.3	3.38
19	3.04	3.2	3.59	2.76	3.62	3.3	3.25
F-value	1.546	1.749	1.204	2.105	1.212	1.706	1.965
P-value	.098	.049	.274	.014	.268	.057	.022
Decision on H_0	Accept	Reject	Accept	Reject	Accept	Accept	Reject

Legend:

Code	Nature of Business	Code	Nature of Business
1	Accommodation and Food Service Activities	9	Human Health and Social Work Activities
2	Administrative and Support Service Activities	10	Information and Communication
3	Agriculture, Forestry, and Fishing	14	Real Estate Activities
4	Arts, Entertainment, and Recreation	16	Water Supply, Sewerage, Waste Management and Remediation Activities
5	Construction	17	Wholesale and Retail Trade
6	Education	18	Repair of Motor Vehicles and Motorcycles
7	Electricity, gas, Steam, and Air Conditioning Supply	19	Other Business Activities

Table 9

Tukey's HSD Post Hoc Report for Significant Difference in MSMEs Enabling Environment when Grouped by Nature of Business

(I) nature	(J) nature	Mean Difference (I - J)	Std. Error	Sig.
1	2	-0.19	0.37	1
	3	-0.12	0.06	0.72
	4	-0.25	0.19	0.99

5	0.1	0.1	1
6	0.13	0.26	1
7	0.02	0.16	1
9	-0.02	0.11	1
10	0.03	0.1	1
14	-0.67	0.37	0.87
16	-0.06	0.26	1
17	-0.17	0.05	0.05
18	-0.1	0.07	0.99
19	0.03	0.1	1

Legend:

Code	Nature of Business	Code	Nature of Business
1	Accommodation and Food Service Activities	9	Human Health and Social Work Activities
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5	Construction	17	Wholesale and Retail Trade
6	Education	18	Repair of Motor Vehicles and Motorcycles
7	Electricity, gas, Steam, and Air Conditioning Supply	19	Other Business Activities

Significant Differences when grouped according to Number of Years in Operation

Table 10 shows the significant difference in the enabling environment of MSMEs when analysed per years in operation. Results show an F computed value of 0.070 with a p value of 0.976, which is lower than the 0.05 significance level. This means that there is no significant difference, thus we accept the null hypothesis. The results suggest that MSMEs have an equal perception on how conducive the enabling environment is when grouped according years in operation.

Table 10**Significant Difference in MSMEs Enabling Environment when Grouped by Years in Operation**

Enabling Environment Indicator	Years in Operation				F-value	p-value	Decision on H_0
	1-3	4-6	7-9	10 and above			
Policy	3.07	3.14	3.20	3.10	0.397	0.755	Accept
Markets	3.38	3.36	3.31	3.45	0.440	0.725	Accept
Culture	3.9	3.83	3.80	3.84	0.638	0.591	Accept
Finance	2.94	3.00	2.85	2.94	0.341	0.796	Accept
Human	3.70	3.75	3.83	3.64	1.424	0.235	Accept
Supports	3.21	3.22	3.31	3.21	0.260	0.854	Accept
Overall	3.37	3.38	3.38	3.36	0.070	0.976	Accept

Significant Differences in the Indicators of MSMEs Enabling Environment

Table 11 presents the significant difference in the enabling environment of MSMEs when analyzed per municipality. Results show an F computed value of 2.447 with a p value of 0.000 which is lower than 0.05 level of significance.

The result is significant thus the null hypothesis is rejected. The results suggest that there is a significant difference in how conducive MSMEs perceive the enabling environment to be.

It was observed that only the culture and finance indicators of the enabling environment have non-significant differences. With F computed values of 1.306 and 1.387, and p values of 0.166 and 0.120 for culture and finance respectively – both p values are greater than 0.05 level of significance thus the null hypothesis is accepted. The results suggest that MSMEs have an equal perception on how conducive the culture and finance aspect of the enabling environment are.

It was further observed that the *policy, markets, human capital, and supports* indicators of the enabling environment showed significant differences. With F computed values of 2.447, 2.506, 6.600, and 2.758 respectively, and p values of 0.000 for all indicators, which are lower than 0.05 level of significance thus the null hypothesis is rejected. The results suggest that MSMEs do not have an equal perception on how conducive the *policy, market, human capital, and supports* aspect of the enabling environment are.

Table 11

Significant Difference in MSMEs Enabling Environment when Grouped by Municipality

Municipalities	Enabling Environment Indicator						
	Policy	Markets	Culture	Finance	Human Capital	Supports	Overall
Baungon	3.55	2.27	3.52	2.78	3.8	2.63	3.09
Cabanglasan	2.85	2.96	3.82	2.98	3.27	3.03	3.15
Damulog	3.11	3.48	3.72	3.12	3.84	3.29	3.43
Dangcagan	3.08	3.34	3.92	2.85	3.45	3.2	3.31
Don Carlos	3.02	3.37	4.05	2.87	3.87	3.24	3.4
Impasugong	3.52	3.1	3.88	2.68	3.34	3.27	3.3
Kadingilan	2.92	3.41	3.92	2.82	3.84	3.41	3.39
Kalilangan	3.26	3.39	3.99	3.11	3.89	3.23	3.48
Kibawe	3.15	3.57	3.82	2.95	3.9	3.16	3.43
Kitaotao	3.33	3.29	4.02	2.8	3.65	3.39	3.41
Lantapan	3.18	3.53	3.75	2.92	3.62	3.22	3.37
Libona	3.47	3.43	4.14	3.25	3.56	3.69	3.59
Malaybalay City	2.83	3.19	3.79	2.98	3.84	3.08	3.29
Malitbog	2.58	3.41	3.7	2.25	2.9	2.64	2.91
Manolo Fortich	3.14	3.65	3.75	3.21	3.66	3.22	3.44
Maramag	3.46	3.56	3.94	2.84	3.88	3.36	3.51
Pangantucan	2.86	3.59	3.82	2.72	3.57	3.08	3.27
Quezon	2.78	3.74	3.98	3.06	3.85	3.04	3.41
San Fernando	2.79	3.31	3.83	2.87	4	3.38	3.36
Sumilao	3.11	3.26	3.77	3.15	2.98	3.28	3.26
Talakag	3.38	3.28	3.69	2.88	3.71	2.89	3.31
Valencia City	3.03	3.63	3.86	3.05	3.9	3.35	3.47
F-value	2.447	3.39	1.306	1.387	6.600	2.758	2.504

p-value	0.000**	0.000**	0.166 ^{ns}	0.120 ^{ns}	0.000**	0.000**	0.000**
Decision on H_0	Reject	Reject	Accept	Accept	Reject	Reject	Reject

DISCUSSION

This study provides significant insights into the MSME landscape in the Province of Bukidnon and the factors influencing their enabling environment. The demographic profile of owners reveals that the MSME sector in Bukidnon is predominantly characterized by micro enterprises operating in wholesale and retail trade. These businesses are relatively young, with most having been established within the past one to three years. The typical business owner falls within the 40-49 age bracket, is female, married, and possesses a college degree. This profile suggests an emerging entrepreneurial ecosystem that is particularly attractive to educated women who are venturing into business ownership, potentially indicating a shift in traditional economic participation patterns in the region.

The overall perception of the enabling environment as moderately conducive indicates that while there are supportive elements for MSMEs in Bukidnon, there remains substantial room for improvement across various dimensions. Notably, cultural and financial aspects of the environment were perceived as highly conducive, suggesting that local cultural attitudes toward entrepreneurship are positive and that financial resources are relatively accessible compared to other factors. These strengths represent valuable assets that could be strategically leveraged by policymakers and development agencies to enhance the overall business environment and support MSME growth.

A particularly noteworthy finding is the significant difference observed in the perception of the enabling environment across different business types, especially between Accommodation and Food Service Activities versus Wholesale and Retail Trade, with a medium magnitude of difference. This variation highlights the diverse needs, challenges, and experiences faced by different sectors within the MSME ecosystem. Similarly, the significant differences across municipalities point to geographical disparities within the province that warrant targeted attention from local government units and development agencies. These findings underscore the importance of adopting sector-specific and location-sensitive approaches in policy formulation and implementation of support mechanisms rather than employing generalized interventions.

Interestingly, the absence of significant differences when respondents were grouped according to other business profile characteristics or owner demographics suggests that the perception of the enabling environment is more influenced by the nature and location of the business rather than by the characteristics of the business owner. This finding challenges conventional assumptions about demographic factors as primary determinants of business perception and success, and redirects focus to structural, contextual, and sectoral factors that shape the business environment.

These findings have several important implications for policy development and implementation. First, they suggest that interventions to improve the enabling environment should be tailored to specific business sectors and geographical locations rather than adopting a one-size-fits-all approach. Second, the positive perception of cultural and financial aspects can be built upon to strengthen other dimensions of the enabling environment that may be perceived as less conducive. Third, the predominance of micro enterprises operated by educated female entrepreneurs points to the potential for targeted support programs that address the specific needs and challenges faced by this demographic group.

Future research directions could explore the underlying reasons behind the geographical disparities in the perception of the enabling environment and investigate the specific factors that make culture and finance more conducive than other aspects. Additionally, longitudinal studies could track how perceptions change over time as businesses mature beyond the initial establishment phase, providing insights into the evolution of business needs and challenges. Comparative studies across different provinces could also help identify best practices and transferable lessons for enhancing MSME environments.

In conclusion, while the enabling environment for MSMEs in Bukidnon is perceived as moderately conducive overall, there are significant variations across business types and municipalities that need to be addressed through targeted interventions. By building on the existing strengths in culture and finance, and by implementing sector-specific and location-sensitive policies and programs, stakeholders can work towards creating a more uniformly conducive environment that supports the growth, sustainability, and competitiveness of MSMEs throughout the province. This approach would not only benefit individual businesses but could also contribute to broader economic development and poverty reduction goals in the region.

The following are recommended: (1) The indicators policy, markets, finance, and supports of the enabling environment need to be improved as these have shown to be only moderately conducive for the growth and development of MSMEs in the Province of Bukidnon, (2) for policy makers and program coordinators, much attention should be given to why businesses seem to only belong to the 1-3 year group. The results suggest that, based on the sample, only a small number of MSMEs ever make it to beyond this threshold, and (3) based on the sample, majority of MSMEs belong to the wholesale and retail trade nature of business, with other enterprises scattered sparsely among other natures of business. Attention should also be given to fostering more diverse natures of business to provide more rigidity in the business sector in so far as absorbing economic shocks are concerned.

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