

Women's Economic Empowerment: Factors Affecting Women's Participation In Micro-Enterprises

Maria Theresa H. Arellano-Hernandez

Batangas State University, College of Arts and Sciences
Rizal Avenue, Batangas City, Philippines 4200
mth.batstateu@gmail.com

Abstract: The study generally aimed to determine the factors affecting women's participation in micro-enterprises, particularly economic, social, and legal and administrative. It specifically looked into the profile of women respondents in terms of municipality, age, civil status, educational attainment and occupation; business ownership and source of start-up capital; and access to credit. This was a descriptive research which utilized the quantitative approach. A researcher-made questionnaire was used as data gathering instrument which was responded to by 20 female respondents from the adopted barangays of Batangas State University. Purposive sampling was the sampling technique used in selecting the respondents. Frequency, percentage and weighted mean were the statistical tools used to analyze data. Based on the findings, it was concluded that most of the respondents are from Nasugbu, Batangas, 36 to 55 years old, married, high school graduate, and has no occupation. Majority own a business with a start-up capital from public financial assistance/support program, and did not apply for a loan in the last six months. Respondents agree that economic, social, and legal and administrative factors affect women's participation in micro-enterprises.

Keywords: access to credit, business ownership, micro-enterprises, women's economic empowerment,

1. Introduction

Women constitute more than half of the population. However, statistics show the differences in labor participation between male and female. According to the Philippine Statistics Authority (2018), the labor force participation rate of women was 46.2 percent, compared with men at 76.2 percent. In addition, the proportion of unpaid family workers was 9.4 percent women and four percent men [1]. Empowerment has been broadly defined by Narayan (cited in Peters, et. al, 2016) broadly as "gaining power and control over decisions and resources that determine the quality of one's life" [7]. It means increasing opportunities and choice in several ways across social, legal, and economic domains. What, then, is meant by women economic empowerment? According to the International Center for Research on Women (cited in William and Flora Hewlett Foundation, 2015,) a woman is economically empowered when she has the ability to succeed and advance economically, and the power to make and act on economic decisions [11]. Other researchers offer different definitions, but all share this focus on a combination of opportunities and agency. Women's economic empowerment, thus, emphasizes greater agency, opportunities, and control over resources. Social and economic development call for guarantees that women have and are able to take advantage of full and fair opportunities to earn a living. Furthermore, economic equality is essential for women in recognition of their role in the development of their families and society. Improving women's well-being contributes to a cycle of better health and education outcomes, more stable societies, and more sustainable development. Empowering women will also enable them to fulfill their human capability and for their families and societies to realize their full potential. In developing countries such as the Philippines, women, particularly in rural communities, are engaged in micro-enterprises and cottage industries. Batangas State University provides support to women in rural communities through its Adopt-A-Barangay/Social Development Program.

Livelihood projects and activities are designed to promote women's economic empowerment and sustainable development. It is the aim of this paper to identify the factors which affect women's participation in economic development through engagement in micro-enterprises. It is the hope of the researcher that by identifying these factors, appropriate interventions may be designed in order to develop more gender responsive extension projects generally aiming to promote gender equity and equality. This research generally aimed to identify the factors affecting women's participation in micro-enterprises. It specifically intended to:

1. Describe the respondents in terms of the following profile variables:
 - 1.1. Municipality;
 - 1.2. Age;
 - 1.3. Civil status;
 - 1.4. Educational attainment; and
 - 1.5. Occupation
2. Determine the respondents' business ownership and source of start-up capital
3. Find out their access to credit
4. Determine factors affecting women's participation in micro-enterprises in terms of:
 - 4.1. Economic
 - 4.2. Social
 - 4.3. Legal and administrative

2. Methodology

Descriptive research was used in the study, employing the quantitative approach. There were 20 female respondents selected through purposive sampling. They were beneficiaries of the University's Adopt-A-Barangay/Social Development Program. They accomplished a researcher-made instrument to determine their profile, business ownership and source of start-up capital, access to credit, and factors affecting women's participation in micro-enterprises. The researcher-made questionnaire has good internal consistency and was reliable as evidenced by Cronbach's

alpha coefficient of 0.895. Responses in relation to economic, social, and legal and administrative factors were scored using a continuum, as follows:

Option	Range	Verbal Interpretation
5	4.50 – 5.00	Strongly Agree
4	3.50 – 4.49	Agree
3	2.50 – 3.49	Moderately Agree
2	1.50 – 2.49	Disagree
1	1.00 – 1.49	Strongly Disagree

Frequency, percentage and weighted mean were the statistical tools used to analyze data.

3. Results and Discussions

3.1 Profile of the respondents

The respondents included in this study are female beneficiaries of livelihood projects of Batangas State University. This study looked into the profile of the respondents in terms of municipality, age, civil status, educational attainment, and occupation. Table 1 presents the distribution of respondents in terms of these profile variables. Based on Table 1, most of the respondents were from Nasugbu, Batangas, specifically from Brgy. Catandaan, an adopted barangay of ARASOF-Nasugbu Campus. It comprised 45 percent of the respondents. Nine (9) respondents or 30 percent were from Brgy. Pocol, San Juan, an adopted barangay of San Juan campus. There were three (3) respondents from the municipality of Rosario, specifically from San Isidro Nasi Multi-Purpose Cooperative and Pinagsibaan Farmers' Development Cooperative, cooperatives whose members were beneficiaries of the extension service projects of Rosario campus. Two (2) respondents were from Brgy. San Isidro, Lobo, Batangas, also beneficiaries of livelihood projects of the University. In terms of age, ten (10) respondents or 50 percent belonged to the age bracket of 36 to 55. Six (6) respondents or 30 percent were between 16 to 35 years old; while four (4) respondents or 20 percent were 56 years old and above. Majority of the respondents, with 18 respondents or 90 percent, were married. One (1) respondent each or five percent, was a widower or living in. The educational attainment of the respondents also varied. As shown in the table, nine (9) respondents or 45 percent were high school graduates. Six (6) respondents or 30 percent finished elementary. Two (2) respondents each or ten percent were high school and college undergraduates. One (1) respondent or five percent graduated from college. It can be noted from Table 1 that most of the respondents, with a frequency of eight (8) or 40 percent, had no occupation. Four (4) respondents or 20 percent were vendors, and three (3) respondents or 15 percent were barangay officials. The occupation of other respondents, with a frequency of one (1) each and five (5) percent, included housekeeper, volunteer, stick making, farmer, and utility worker.

Table 1: Distribution of Respondents according to Profile Variables

MUNICIPALITY	Frequency	Percentage
Lobo	2	10
Rosario	3	15
San Juan	6	30
Nasugbu	9	45
Total	20	
AGE	Frequency	Percentage
18-35	6	30
36-55	10	50
56 and above	4	20
Total	20	
CIVIL STATUS	Frequency	Percentage
Married	18	90
Widow/Widower	1	5
Living in/Cohabiting	1	5
Total	20	
EDUCATIONAL ATTAINMENT	Frequency	Percentage
Elementary Graduate	6	30
High School Undergraduate	2	10
High School Graduate	9	45
College Undergraduate	2	10
College Graduate	1	5
Total	20	
OCCUPATION	Frequency	Percentage
Housekeeper	1	5
Volunteer	1	5
Vendor	4	20
Stick Making	1	5
Farmer	1	5
Brgy. Official	3	15
Utility	1	5
None	8	40
Total	20	

Most of the respondents were not employed. This is because the beneficiaries of the University's livelihood projects are mostly unemployed women and the projects are generally intended to provide them with sources of income. The projects developed by the Extension Service Office are mostly on social development targeting the marginalized sector of the community. The University partners with women's associations of the barangay, if these are established, and if none, assistance in organizing one is provided.

3.2 Business Ownership and Source of Start-Up Capital

Figure 1 and Table 2 present the characteristics of the respondents in relation to business ownership and source of start-up capital.

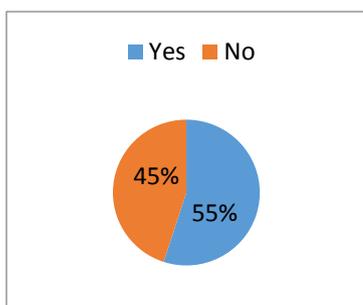


Figure 1: Distribution of Respondents in terms of Business Ownership

It can be noted from Figure 1 that majority of the respondents, with a frequency of 11 or 55 percent, own a business; while nine (9) respondents or 45 percent did not.

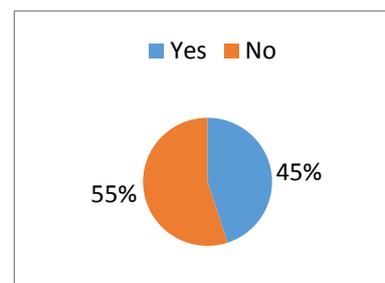


Figure 2: Distribution of Respondents in terms of Loan Application in the last 6 months

As can be noted from the figure, only nine (9) respondents or 45 percent applied for a loan in the last six (6) months, while majority or 11 respondents with 55 percent, did not apply for a loan.

Table 2: Distribution of Respondents in terms of Source of Start-Up Capital

Main Source of Start-Up Capital	Frequency	Percentage
Personal savings	1	9
Support by household	1	9
Free assistance from other relatives / friends / others	0	0
Borrowed from relatives or friends/individual money lender	0	0
Bank Loan	0	0
Community Group Savings	0	0
Inheritance	0	0
Assistance from NGOs	0	0
Micro-finance institutions Loan	0	0
Public financial assistance/support program	9	82
Others	0	0
Total	11	100

There were several sources which can be used for start-up funding. Among the main sources identified, only three were considered by the respondents. Based on the survey among those who owned businesses, nine (9) respondents or 82 percent noted that their start-up funding was sourced from public financial assistance/support program. One respondent each identified personal savings and support by household as their main sources of start-up funding. None of the respondents utilized the following sources: free assistance from other relatives/friends/others, money lent from relatives or friends/individual money lenders, bank loan, community group savings, inheritance, assistance from NGOs, and micro-finance institutions loan. Results revealed that most of the respondents started their business with financial assistance from public programs. One of these was assistance provided by the University through its Adopt-A-Barangay Program. Initially, the University has provided trainings on the capacities needed to develop products for their livelihood, including materials. Wole states that securing capital for business start-up or business operation is one of the major obstacles every entrepreneur, particularly those in the MSE sector, face [11]. Nevertheless, there are several sources which may be used to fund the business or livelihood activity.

3.3. Access to Credit

Figure 2 and Table 3 present data on women’s access to credit, particularly loan applications.

Table 3: Access to Credit

Purpose of Loan Application	Frequency	Percentage
Invest / expand my business	0	0
Start a business	8	89
Family consumption	1	11
Personal consumption	0	0
Pay back a previous loan or debt	0	0
Total	9	100
Process of Loan Application	Frequency	Percentage
Very difficult	0	0
Difficult	0	0
Somewhat easy	0	0
Easy	9	100
Very easy	0	0
Total	9	100
Loan Application Approved	Frequency	Percentage
Yes	9	100
No	0	0
Total	9	100
Spouse’s Consent Required	Frequency	Percentage
Yes	0	0
No	9	100
Total	9	100

Of the nine (9) respondents who applied for a loan, eight (8) of them or 89 percent did so to start a business. One (1) respondent or 11 percent applied for a loan for family consumption. None of the respondents applied for a loan to invest or expand their business, or for personal consumption, or to pay for an existing loan or debt. All of the respondents found the loan application process easy. Their loan was approved, and the spouse’s consent was not required during loan application. Availability of finance determines the capacity of an enterprise in a number of ways, especially in the choice of technology, access to markets, and access to essential resources which in turn greatly influence the viability and success of a business [11]. While access to finance is a challenge to all micro and small enterprises, the challenge for women business owners especially those in the rural areas is compounded by the multi-faceted gender related problems that inhibit their ability to access finance which even within the MSE sectors is one of the major factors accountable for hindering the emergence and growth of their businesses [11].

3.4. Factors Affecting Women's Participation in Micro-Enterprises

This study looked into the factors affecting women's participation in micro-enterprises. A microenterprise is a sole proprietorship, partnership or family business that has fewer than five employees [4]. According to the Senate Economic Planning Office, an MSME in the Philippines is defined as any business activity or enterprise engaged in industry, agribusiness and/or services that has: (1) an asset size (less land) of up to PhP100 million; and (2) an employment size with less than 200 employees [9]. Based on these categories, it is classified as micro, small or medium regardless of the type of business ownership (i.e., single proprietorship, cooperative, partnership or corporation). The succeeding sections present the factors economic, social, and legal and administrative factors affecting women's participation in micro-enterprises.

3.4.1. Economic Factors

Table 4 presented the economic factors which affect women's participation in micro-enterprises.

Table 4: Economic Factors Affecting Women's Participation in Micro-Enterprises

Economic Factors	WM	VI
Access to micro-finances and other lending institutions	3.45	MA
Access to market for the product	4.10	A
Access to different livelihood trainings	4.05	A
Own premises (land/office) to run the business	4.10	A
Access to information to utilize for business opportunities	4.0	A
Having enough managerial skills	4.15	A
Access to necessary technology	4.20	A
Presence of strict competition in the market place	3.35	MA
Adequate infrastructure in the community	4.0	A
Access to raw materials for economic activities	4.0	A
Composite Mean	3.94	A

*WM – Weighted Mean VI – Verbal Interpretation
A – Agree MA-Moderately Agree D-Disagree

As shown in the table, the respondents agree, with a composite mean of 3.94, that the factors identified affect their participation in micro-enterprises. Specifically, they agreed on the following factors: access to necessary technology, 4.20; having enough managerial skills, 4.15; access to market for the product and own premises to run the business, 4.10; access to different livelihood trainings, 4.05; access to information to utilize for business opportunities, adequate infrastructure in the community, and Access to raw materials for economic activities, 4.0. Meanwhile, they expressed moderate agreement on access to micro-finances and other lending institutions, 3.45; and presence of strict competition in the market place, 3.35. The economic factors identified in this study are necessary to enable women to participate in micro-enterprises, thereby contributing to their economic empowerment. It can be noted that most of the factors relate to women's access to factors of production, which coincides with the Women Empowerment Framework espoused by Sara Longwe [2]. For instance, they need access to technology, market, livelihood trainings, micro-finances and lending institutions, and raw materials. Most of the livelihood of women are labor intensive and make minimal use of technology. Nevertheless, they need technology to enhance their products. These may be present but women

need access to these in order to develop products for their livelihood. Lack of access to these factors of production would hinder their participation in economic activities.

3.4.2. Social factors

Table 5 provides a summary of the factors affecting women's participation in micro-enterprises.

Table 5: Social Factors Affecting Women's Participation in Micro-Enterprises

Social Factors	WM	VI
Social acceptability	4.30	A
Belonging to a network within the community	4.20	A
Contacts / networks with outsiders	4.35	A
Prejudice or class bias	2.80	D
Positive attitude of society towards the product	4.40	A
Positive attitude of other entrepreneurs towards the business	4.30	A
Positive relationship with the workforce	4.40	A
Conflicting gender roles	3.25	MA
Gender discrimination	2.95	MA
Cultural barriers affecting the business	2.80	D
Composite Mean	3.78	A

*WM – Weighted Mean VI – Verbal Interpretation
A – Agree MA-Moderately Agree D-Disagree

The composite mean of 3.78 showed that the respondents agreed on the factors presented. In particular, the weighted mean of 4.40 indicated that they agreed that positive attitude of society towards the product and positive relationship with the workforce affect women's participation. They likewise agreed on the following factors: contacts / networks with outsiders, 4.35; positive attitude of other entrepreneurs towards the business, and social acceptability, 4.30; and, belonging to a network within the community, 4.20. The respondents expressed moderate agreement that the following social factors affect women's participation in micro-enterprises: conflicting gender roles, 3.25; and gender discrimination, 2.95. They disagreed, however, that prejudice or class bias, and cultural barriers affecting the business, both with a weighted mean of 2.80, were factors which affect women's participation in micro-enterprises. The social factors presented in this study are significant in contributing to the participation of women in micro-enterprises. For instance, it is important for women to gain positive attitude from the society towards their product and the business. This provides them with a sense of pride knowing that their products are being considered by the market. In addition, contacts or networks within and outside the community are also contributing factors. Since most women entrepreneurs have fewer business contacts, this limits their ability to growth. They also operate mostly on a small scale and are generally not members of other networks, which serve as barriers for their continuing participation in engaging in business. Nevertheless, the moderate agreement of the respondents on conflicting gender roles and gender discrimination could mean that these issues were not always experienced by women in their community. In some instances, due to the reproductive role of women, they have difficulty engaging into business. This also contributes to the unpaid labor experienced by women. Results likewise showed that the respondents disagreed on prejudice and cultural barriers as factors affecting women's participation in

micro-enterprises. This could mean that these were not considered issues in their communities considering that the role of women in economic activities are recognized and women are given opportunities to engage in livelihood activities. This can also be exemplified in their experience with the University in terms of participation in livelihood projects in community extension services.

3.4.3. Legal and Administrative Factors

There are also legal and administrative factors which affect women's participation in micro-enterprises. Results are presented in Table 5. Table 5 showed that the respondents agreed on the legal and administrative factors, indicated with a composite mean of 3.94. Specifically, they agreed on the following: business assistance and support from government bodies, 4.40; favorable legal and regulatory environment, 4.35; access to policy makers, 4.25; capability to borrow money even without titled assets as collateral, and reasonable tax levied on business, 4.15; having no policy constraint, 4.05; beneficiary of government incentives, 3.95; and, having no institutional constraint, 3.85. The respondents moderately agreed, with weighted means of 3.15 and 3.05 that reasonable interest rate charged by micro-finance and other lending institutions are reasonable, and no encounter with bureaucracies and red tape affect women's participation in micro-enterprise. Legal and administrative environments can become both enablers and barriers to women's economic empowerment. Policies are significant in promoting gender equality since these can impact women's economic empowerment. Official policies often make business difficult for microentrepreneurs. Improved business regulations, tax regimes, licensing requirements, financial sector reform and bank supervision will promote better conditions for microenterprise development.

Table 5: Legal and Administrative Factors Affecting Women's Participation in Micro-Enterprises

Legal and Administrative Factors	WM	VI
Business assistance and support from government bodies	4.40	A
Access to policy makers	4.25	A
Having no policy constraint	4.05	A
Having no institutional constraint	3.85	A
Capability to borrow money even without titled assets as collateral	4.15	A
Reasonable interest rate charged by micro-finance and other lending institutions are reasonable	3.15	MA
No encounter with bureaucracies and red tape	3.05	MA
Beneficiary of government incentives	3.95	A
Favorable legal and regulatory environment	4.35	A
Reasonable tax levied on business	4.15	A
Composite Mean	3.94	A

*WM – Weighted Mean VI – Verbal Interpretation
A – Agree MA – Moderately Agree

Microenterprises contribute significantly to economic growth, social stability and equity. The sector is one of the most important vehicles through which low-income people can escape poverty. With limited skills and education to compete for formal sector jobs, these men and women find economic opportunities in microenterprise as business owners and employees. Women-owned businesses make up one of the fastest growing segments of microenterprise. The work women do outside the home is usually in addition to the care they provide for their families, which limits their

business opportunities. Moreover, they often face even greater obstacles than their male counterparts in getting credit from formal sources. Increased income in the hands of women is invested in health, education and housing for their families. As microentrepreneurs, women not only make a huge contribution to national income, but they also create reliable social safety nets for their families and communities. According to the Senate Economic Planning Office, the constraints that MSMEs often face can generally be categorized as: (1) non-financial barriers (cost of getting electricity, heavy regulation, high tax rates, and corruption); and (2) financial barriers (access to finance). Based on the World Bank's indicators on the ease of doing business, the Philippines lags behind its neighboring countries in reducing the number of start-up procedures, cost to start a business (measured in terms of percent of gross national income per capita or GNI pc), and number of tax payments per year [9]. These non-financial barriers to MSME development translates to high cost of doing business or poor business environment, and discourages the formation of new MSMEs or the entry of existing MSMEs into larger markets, among others. Other countries with lower costs of doing business have been observed to have larger MSME sectors. It also mentioned that to attain sustainable MSME growth, there is a need to improve the overall business environment, and more importantly, increase access to finance. This would require strong coordination among the national agencies and local government units in effectively implementing MSME-related policies (e.g., Magna Carta for MSMEs, Barangay Micro Business Enterprises Act or RA 9178), particularly on enhancing the provision of MSME credit and other finance services from financial institutions as well as nongovernment organizations engaged in MSME financing.

4. Conclusions

Based on the findings, the following conclusions are drawn:

1. Most of the respondents are from Nasugbu, Batangas, 36 to 55 years old, married, high school graduate, and has no occupation.
2. Majority of the respondents own a business with a start-up capital from public financial assistance/support program.
3. Majority of the respondents did not apply for a loan in the last six months.
4. Respondents agree that economic, social, and legal and administrative factors affect women's participation in micro-enterprises.

5. Recommendations

The following are recommended based on the conclusions generated in the study:

1. Livelihood programs should be designed in order to provide access to women on factors of production, thereby promoting sustainable development.
2. Consultations should be constantly conducted in order to design projects and activities which address the gender needs of project beneficiaries.
3. Rural women should be guided on the establishment of women's associations in order to develop networks with other agencies and other communities for marketing their products.
4. Further research may be conducted focusing on the impact of livelihood projects to women's economic empowerment.

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Author Profile



Maria Theresa H. Arellano-Hernandez received the Bachelor of Arts in Political Science degree from University of Batangas, Batangas City, Philippines in 1998. She is a graduate of Master in Public Administration from Batangas State University, Philippines, in 2004, and currently undertaking her Doctor of Public Administration in the same university. She is now connected with Batangas State University teaching public administration and social science both in the undergraduate and graduate levels. She is also a national trainer certified by the Philippine Commission on Women, providing technical assistance on gender and development to both public and private agencies, and non-government organizations.